

Economics 211: Principles of Economics

Instructor: Dr. Edward F. Stuart

Spring Semester 2009

Class time: 11.25 - 12.40 TR

Classroom: IGTC 4B8-1

Office: Room 4A1-2

Office Hours: 10.00 - 11.00 TR

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Required Textbook:

Essentials of Economics, 4<sup>th</sup> edition  
N.Gregory Mankiw. Thomson/South-Western Pub.  
2007.

Course Objectives: Principles of Economics is intended for those students who wish to upgrade their knowledge of basic economic theory and principles.

Throughout the course, the basic theoretical concepts and tools of microeconomics and macroeconomics are introduced and used to analyze contemporary business and economic issues and problems.

The course consists of three parts: Microeconomics, Macroeconomics, and International Economics. The first part of the course emphasizes the role of individuals, firms, and markets. Special emphasis is placed on the concepts of market demand and supply, costs of production, market prices, and market structures. The second part of the course will focus on issues related to the entire economy; employment, economic growth, inflation, and the financial markets. The role of monetary and fiscal policy will also be highlighted in this section. The final part of the course explores the growing international dimensions of economics and business. The positive aspects of globalization and the benefits of expanding international economic relations will be described.

The ultimate objectives of the course are two-fold. One is to prepare students for further study using the tools of economic analysis. The second objective is to enable the student to read serious business and economics publications and understand them. Additionally, now that there are new media outlets for business and economic information such as cable television and the internet, students should be capable of using these information sources in their personal and professional lives.

Course Objectives: Successful work in this course will enable you to do several things. Among the most important are:

1. Explain the nature of economics and the types of issues and problems that comprise macroeconomics.
2. Understand the concept of Opportunity Cost and use it to analyze economic decision making.
3. Use demand-supply analysis to explain how markets function.
4. Explain the basic macroeconomic statistics; Gross Domestic Product (GDP) and the Consumer Price Index (CPI). Explain the methods and objectives of monetary and fiscal policy.

5. Describe the principal fiscal and monetary policymakers in the United States and the components of macroeconomic policy for which they are responsible.
6. Describe the nature and content of the international flows of goods, services, and financial assets between the United States and the rest of the world.

Course Grading Policy: The course grade will be determined on the basis of four exams. These exams will be multiple choice with 40 questions per exam. Each exam will be worth a maximum of 40 points. There will be **no** makeup exams given or early final exams scheduled. If you miss an exam during the course, your lowest exam score will be used for your missed exam. This can happen once. If you miss a second exam, the score on that exam will be zero. All students must take the final exam. Failure to take the final exam will result in a grade of “F” Your final course grade will be determined by an arithmetic total of your exam scores. The grading scale is; A = 140 – 160, B = 120 – 139, C = 100 – 119, D = 80 – 99, and F = 0 – 79. To receive a grade of “W” you must withdraw before the university withdrawal date. The exams will cover material presented in class, textbook readings, and any assigned outside readings.

#### Course Outline and Reading Assignments:

Part I. An Introduction to Economics and the Economic Way of Thinking.

Chapter 1. Ten Principles of Economics.

Chapter 2. Thinking Like an Economist.

Chapter 3. Interdependence and the Gains from Trade.

Exam 1.

Part II. How Markets Work.

Chapter 4. The Market Forces of Supply and Demand.

Chapter 5. Elasticity and its Applications.

Chapter 6. Supply, Demand, and Government Policies.

Exam 2.

Part III. International Trade and Externalities.

Chapter 9. International Trade.

Chapter 10. Externalities.

Chapter 11. Public Goods and Common Resources.

Exam 3.

Part IV. Macroeconomics.

Chapter 15. Measuring a Nation's Income.

Chapter 16. Measuring the Cost of Living.

Chapter 21. The Monetary System.

Chapter 22. Money Growth and Inflation.

Final Exam (Exam 4).