

Econ 211, Spring 2012
Illinois Institute of Technology
Stuart School of Business

Instructor Information

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Course Information

This course introduces and develops concepts in three major areas of economic theory: Microeconomics, Macroeconomics, and International Economics. The major topics to be covered include microeconomic concepts such as demand and supply, market structures and pricing, market efficiency, and equilibrium; macroeconomic concepts such as inflation, unemployment, economic growth, and monetary and fiscal policy; and international economics concepts such as trade, development, and globalization.

We will concentrate on the economic analysis of markets and their structures, pricing and output decisions, the causes of unemployment, inflation, and international trade problems. Throughout, we will emphasize the economic way of thinking.

Course day and time: Tuesdays and Thursdays 10:00AM – 11:15AM
Classroom 4B8-1, 3424 S State St., Tech Park Central Bldg, Main Campus

Course Objectives: To introduce the major topics of economic analysis and the tools used to study them; to prepare students for further study using these tools; and to provide intuition for and understanding of a variety of market conditions and market forces.

Course Method: Each lecture will include a discussion of the current material in the schedule. Often, there will be some outside material distributed so as to elucidate economic concepts and principles. This outside material will form the basis for class discussions and the student is expected to have read and thought about the material as well as the material in the textbook. Class discussions are an important part of the learning process, and students are encouraged to participate. Participation is voluntary, but as explained below, class participation can help raise a student's grade. There will be three exams and several homework assignments.

Required Course Materials

Text:

**Essentials of Economics, 6th Edition, by N. Gregory Mankiw,
ISBN-10: 0538453087 / ISBN-13: 978-0538453080**

Recommended addition:

Study Guide

(Note: possibly, the two can be obtained as a bundle; also, older editions suffice)

Course & Instructor Policies

Grades will be based on assignments, 2 midterms, a final, and class participation. Some aspects of the assignments will be graded on a rough scale: if you made a thorough attempt to answer all of the problems, you will get full credit. The final exam is cumulative. Weights are given by: each midterm: 20%, final: 40%, assignments: 20%.

Letter grades will be based on a class curve at the end of the course. Should a student's grade be borderline, class participation can be used to raise the student's grade. In other words, class participation can only help raise your grade.

All homework assignments are to be turned in at the beginning of class on the day that they are due. All assignments and their due dates will be posted on Blackboard.

The final exam will be given on the date and time scheduled for the course by the registrar. Dates for the midterms will be announced in class.

There are no make-up exams. All students must take the final exam. Failure to take the final exam will result in failing the class.

Grading System

Assignments	20%
Midterm I	20%
Midterm II	20%
Final	40%

Disabilities

Reasonable accommodations will be made for students with documented disabilities. In order to receive accommodations, students must obtain a letter of accommodation from the Center for Disability Resources and make an appointment to speak with me as soon as possible. My office hours are listed on the first page of the syllabus. The Center for Disability Resources is located in the Life Sciences Building, room 218, 312-567-5744 or disabilities@iit.edu

Copyright/Plagiarism/Academic Integrity Rules on Plagiarism and Academic Integrity

Plagiarism and other violations of academic integrity are strictly prohibited and subject to penalty as defined by the University. Information about the IIT academic requirements for graduate students can be found at:

[http://www.iit.edu/graduate_admission/admitted_students/orientation/pdfs/Graduate Student Handbook.pdf](http://www.iit.edu/graduate_admission/admitted_students/orientation/pdfs/Graduate_Student_Handbook.pdf)

The academic integrity material in the handbook is found at page 31 in the IIT student handbook. Other parts of the handbook also contain material and rules that apply to graduate students. Students will be expected to conform to the rules and procedures set forth in the handbook.

The code of conduct governing writing by students at IIT requires original writing, prohibits plagiarism and provides severe sanctions for plagiarism. Original writing consists of thinking through ideas and expressing them in your own way. If the ideas are from other sources, use footnotes or other citation methods to indicate the source of the ideas. Plagiarism is the act of passing off someone else's work or ideas as your own. The sanctions include, but are not limited to, expulsion and the imposition of a punitive grade of 'E'.

What is Plagiarism?

Often there is some confusion as to what constitutes plagiarism. Plagiarism is the act of passing off someone else's work as your own. To assist in providing an understanding of the types of writing that constitute plagiarism, three types of are each discussed below. Also discussed below is the problem of "string citations." String citations are not plagiarism, but many professors will reject string citations because they are not the student's original work.

Word for Word copying: The use of any phrase or excerpt from another source requires the use of quotation marks around the copied material, or if the material is more than a few lines, the copied material should be placed in its own indented paragraph. A citation in proper form is always required to identify the source.

Plagiarizing by Paraphrase: When a writer uses a source, substitutes words and sentences, or even changes the order but keeps the meaning of the original, a citation is required. In the example given below, the original is on the left. The paraphrase in the right box constitutes plagiarism.

<p><u>Original:</u> It is not generally recognized that at the same time when women are making their way into every corner of our work-world, only one percent of the professional engineers in the nation are female. A generation ago, this statistic would have raised no eyebrows, but today, it is hard to believe.</p>	<p><u>Paraphrase:</u> Few people realize now that women are finding jobs in all fields, that a tiny percentage of the country's engineers are female. Years ago this would have surprised no one, but now it seems incredible.</p>
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The writer could avoid plagiarism here by acknowledging the source and providing a proper citation.

Mosaic Plagiarism: Here the writer lifts phrases and terms from the source and embeds them in his own prose. An example follows in which the lifted phrases are underlined:

The pressure is on to get more women into engineering. The engineering schools and major corporations have opened wide their gates and are recruiting women zealously. Practically all women engineering graduates can find attractive jobs. Nevertheless, at the moment, only one percent of the professional engineers in the country are female.

Mosaic plagiarism is sometimes caused by careless note taking. However, it looks dishonest and is judged as such. The use of quotation marks around the original wording and citation avoid the problem of plagiarism. Often a better approach is to use paraphrase or to quote directly (with appropriate citations).

Plagiarism can be avoided by providing citations for the sources of any material, including *ideas, phrases, or sentences* that you have used in your paper. A number of different systems are available for providing citations. The key to all of them is that the writer must clearly identify for the reader the sources of all material (including ideas) that have come from somewhere else.

String Quotation Problem: Sometimes a student will write a paper consisting of a string of quotations. It is usually much better for a student to provide his or her own analysis and write the paper in his or her own words. Many professors will reject a paper consisting primarily of material quoted from other sources because they do not view such a paper as the student's own work. You should understand your professor's view with respect to string quotations prior to writing your paper.

Tentative Outline

1. 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.

2. How Markets Work.

Chapter 4. The Market Forces of Supply and Demand.

Chapter 5. Elasticity and its Applications.

Chapters 6, 7. Supply, Demand, Government Policies, and Efficiency

3. International Trade and Externalities.

Chapters 8, 9. Taxation and International Trade.

Chapter 10. Externalities.

Chapter 11. Public Goods and Common Resources.

4. Macroeconomics.

Chapters 15, 16. Measuring a Nation's Income and the Cost of Living.

Chapter 20. Unemployment.

Chapter 21. The Monetary System.

Chapter 22. Money Growth and Inflation.

5. Game theory: An Introduction

Simultaneous Games of Complete Information

Pure Strategies and Nash Equilibria

Dominant and Dominated Strategies

Sequential Games of Complete Information

Primer on Auctions and more complex games

Tentative Schedule

January 10	Mankiw	Chapter	1
January 12	Mankiw	Chapter	2
January 17	Mankiw	Chapters	3, 4
January 19	Mankiw	Chapters	4, 5
January 24	Mankiw	Chapter	5
January 26	Mankiw	Chapter	6
January 31	Mankiw	Chapter	7
February 2	Midterm I Review		
February 7	Midterm I		
February 9	Mankiw	Chapter	8
February 14	Mankiw	Chapter	9
February 16	Mankiw	Chapters	9, 10
February 21	Mankiw	Chapters	10, 11
February 23	Mankiw	Chapter	11
February 28	Game Theory, Introduction		
March 1	Game Theory, Simultaneous Games		
March 6	Midterm II Review		
March 8	Midterm II		
March 13	Spring Break		
March 15	Spring Break		
March 20	Game Theory, Contests		
March 22	Game Theory, Imperfect Competition 1		
March 27	Game Theory, Imperfect Competition 2		
March 29	Game Theory, Sequential Games		
April 3	Project Presentations		
April 5	Project Presentations		
April 10	Mankiw	Chapter	15
April 12	No Class		
April 17	Mankiw	Chapter	16
April 19	Mankiw	Chapter	20
April 24	Mankiw	Chapters	20, 21
April 26	Final Exam Review		
May 2-7	Final Exam, date and time set by registrar		