

Syllabus

Principles of Economics I
ECON 201 SPRING 2018

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Course Information	CRN #30830 MWF 9:00am to 9:50am HU 123
Course Length	01/22/2018 to 05/13/2018
Course Materials	All materials (lectures, practice exams, syllabus) will be available on my website and on Blackboard.

I. Course Description

Covers macroeconomic theory half of a one-year course in economics including central problems of economic society, supply, and demand; national income and product; saving, consumption, and investment; income determination; money supply and deposit creation; monetary and income analysis and alternative economic systems. Three hours each week.

Prerequisites: High school algebra or its equivalent or consent of department.

Assessment levels: ENGL 101/101A; MATH 097/099; READ 120. Three hours each week.

II. General Education

ECON 201 fulfills a General Education Program Behavioral and Social Sciences Distribution. Montgomery College's General Education Program is designed to ensure that students have the skills, knowledge, and attitudes to carry them successfully through their work and personal lives.

This course provides multiple opportunities to develop two or more of the following competencies: written and oral communication, scientific and quantitative reasoning, critical analysis and reasoning, technological competency, and information literacy. For more information, please check www.montgomerycollege.edu/gened.

III. Resources

- Greenlaw, Steven A. and Timothy Taylor. *Principles of Macroeconomics*. Openstax. (This is a free online textbook.) <https://openstax.org/details/principles-macroeconomics>
- Frank, Robert. *The Economic Naturalist: In Search of Explanations for Everyday Enigmas*. 2007. (Note this is not required, only strongly suggested.)
- You must sign up and use Blackboard; homework will be on Blackboard and papers will be submitted through it.
- In addition, there are online readings. ***Do not neglect them.***

IV. Student Learning Outcomes

Upon completion of this course, the student will be able to:

- 1) Apply basic economic concepts such as scarcity, opportunity cost, and comparative advantage to everyday life situations.
- 2) Describe the factors that affect economic growth and the challenges facing both developed and less developed countries as they pursue economic growth.
- 3) Describe the primary purposes, limitations, and controversies regarding the use of fiscal and monetary policies.
- 4) Describe what the gross domestic product (GDP) of a country represents, the components of GDP, the different approaches to calculating GDP, and the shortcomings of GDP as a measure of quality of life.
- 5) Explain how the macroeconomic problems of unemployment and inflation are defined and measured.
- 6) Explain the basic structure of capitalism and contrast this system with alternative systems.
- 7) Explain the concept of globalization and its impact on the domestic economy.
- 8) Explain what money is, how it is created, and how the U.S. banking system operates.
- 9) Use the market model to explain how prices and quantities are bought and sold and how resources are allocated.
- 10) Use the model of aggregate supply and demand to explain how unemployment and inflation may occur and how they can be mitigated by government policy.

V. Format and Procedures

This course is made up mostly of lecture with class discussion and class activities to underline important concepts. Class discussion is paramount to the class, since I find interaction of this sort particularly valuable in understanding the economic ideas and how they fit into the world.

VI. My Assumptions

I assume you have a basic curiosity about the world around you. I assume you are familiar with basic algebra and can correctly interpret diagrams and tables. I assume you will do the indicated readings.

VII. Your Responsibilities

You are responsible for all information in class even if you are late or absent. You are also responsible for checking your campus email daily. Course changes, suggestions for study, and other important messages will be posted by campus email. Bear in mind your Montgomery College email is the official means of communication.

You will turn off cell phones during exams and during class. Keep disruptions (e.g. side conversations) at a minimum (aka zero).

If you have a question, you are strongly encouraged to email me or visit my office hours. Your method of contact should be through my email address at Montgomery College. Do *not* email me through other methods, including Blackboard. I will not respond to such messages.

VIII. Blackboard & My Website

My personal website contains all class materials including lecture notes, practice exams, syllabus, and homework. Please note that just because lecture notes are posted online does *not* mean class is optional. These notes are there to help you participate in class without having being distracted by writing down material. You may also access course materials through Blackboard.

All file names are structured a particular way. Understanding this system will prove useful if you've downloaded many files and need to retrieve a particular item. Each file name always begins with what class the document is for, followed by the time of year and classes per week (if relevant), followed by the type of document, and then the subsection of that type.

Here are three examples:

- pmacro2syllabusFh
 - “pmacro” means this pertains to ECON 201, principles of macroeconomics.
 - “2” means this document is for a class that meets twice a week.
 - “syllabus” means this is the syllabus.
 - “F” means this document pertains to the fall semester.
 - “h” means this document is for the honors section. If the document does not have an “h” after it, then that syllabus is for the non-honors section.
- pmicro3l06
 - “pmacro” means this pertains to ECON 202, principles of microeconomics.
 - “3” means this is for a class that meets three times a week.
 - “l” means this is a lecture (note is a lower-case “L” and not a one).
 - “06” means this is lecture number 6.
- statse02p01a
 - “stats” means this pertains to BSAD 210, business statistics.
 - “e02” means this is a practice exam for exam 2.
 - “p01” means this is the first practice exam available (there might be more than one for the same exam available in the future).

- “a” means this is the answer key for that practice exam. If the document does not have an “a” after it, then that document is a blank exam without answers. I suggest you take that exam under simulated time pressure.

IX. Standards of College Behavior

This section is quoted from the Student Code of Conduct. For more information, please visit http://cms.montgomerycollege.edu/EDU/Verified_-_Policies_and_Procedures/PDF_Versions/42001_Student_Code_of_Conduct/.

The College seeks to provide an environment where discussion and expression of all views relevant to the subject matter of the educational forum are recognized as necessary to the educational process.

However, students do not have the right to interfere with the freedom of the faculty to teach or the rights of other students to learn, nor do they have the right to interfere with the ability of staff to provide services to any student.

Faculty and staff set the standards of behavior that are within the guidelines and spirit of the Student Code of Conduct or other College policies for classrooms, events, offices, and areas, by announcing or posting these standards early in the semester.

If a student behaves disruptively in the classroom, an event, an office, or an area after the instructor or staff member has explained the unacceptability of such conduct and the consequences that will result; the student may be asked to leave that classroom, event, office, or area for the remainder of the day. This does not restrict the student’s right to attend other scheduled classes or appointments.

If the student does not leave, the faculty or staff member may request the assistance of Security.

The faculty or staff member must communicate with the student about the incident before the next class meeting to resolve the issue. If a second incident occurs that warrants removal from class, the faculty member again communicates with the student and must send a written report about the incident to the Dean of Student Development with a description of the incident and whether or not the incident is being referred to the formal disciplinary process.

The Dean of Student Development or designated instructional Dean of Workforce Development and Continuing Education should be informed in writing about any situation that should be addressed through the formal disciplinary process. The faculty or staff member will provide the Dean of Student Development with a written summary of the facts or conduct on which the referral is based within 48 hours of the incident for appropriate and effective disciplinary process, which must include the date, time, place, and a description of the incident.

X. Academic Dishonesty

*This section is quoted from the Student Code of Conduct. For more information, please visit [http://cms.montgomerycollege.edu/EDU/Verified -
Policies and Procedures/PDF Versions/42001 Student Code of Conduct/](http://cms.montgomerycollege.edu/EDU/Verified_-_Policies_and_Procedures/PDF_Versions/42001_Student_Code_of_Conduct/).*

The maintenance of the highest standards of intellectual honesty is the concern of every student, faculty and staff member at Montgomery College. The College is committed to imposing appropriate sanctions for breaches of academic honesty.

See the above link for more information concerning what constitutes academic dishonesty and misconduct as well as possible sanctions imposed as punishment.

XI. Disability Support Services

Any student who needs an accommodation due to a disability should make an appointment to see the course instructor during office hours. In order to receive accommodations, a letter from Disability Support Services will be needed. Furthermore, any student who may need assistance in the event of an emergency evacuation must identify the Disability Support Services Office.

XII. Veterans' Services

If you are a veteran or on active or reserve status and you are interested in information regarding opportunities, programs, and/or services, please visit the Combat2College website at <http://www.montgomerycollege.edu/combat2college/>.

XIII. Attendance

Students are expected to attend all class sessions. In cases involving excessive absences from class, the instructor may drop the student from the class, but you are ultimately responsible for dropping yourself from the course. Auto-drop should not be assumed. Excessive absence is defined as one more absence than the number of classes per week during a fall or spring semester; the number of absences is pro-rated for accelerated sessions.

XIV. Withdrawal and Refund Policy

It is the student's responsibility to drop a course. Non-attendance of classes or failure to pay does not constitute official withdrawal. To view specific drop deadlines, log into your MyMC account, click on "My Class Schedule" under "Student Quick Links." Select the current term and click "View Drop Deadline Dates" at the bottom of the page.

XV. Audit Policy

All students registered for audit are required to consult with the instructor before or during the first class session in which they are in audit status, and students are required to participate in all

course activities unless otherwise agreed upon by the student and instructor at the time of consultation.

XVI. Delayed Opening of Closing of the College

On occasion, Montgomery College will announce a late opening or early closing of a specific campus or the entire college because of weather conditions or other emergencies.

- If a class can meet for 50% or more of its regularly scheduled meeting time *or* if the class can meet for 50 minutes or more, it will meet.
- Montgomery College will always operate on its regular schedule unless otherwise announced. Depending on the nature of the incident, notifications of emergencies and changes to the College's operational status will be communicated through one or more communication methods include the College's web page.

XVII. Tutoring

There is free economic tutoring available through the Takoma Park/Silver Spring's Academic Success Center. You can get face-to-face tutoring at CM110 at TP/SS. You can get online tutoring via Skype in Rockville's Digital Learning Center at HU307 and in Germantown's Writing/Reading Center at HS150.

The Skype user name is *ASC-tutoring* and keep in mind *no campus has priority*; this is a first-come, first-serve basis regardless of which campus the student comes from. Face-to-face does not have priority over online tutoring.

Keep in mind the tutor may not be able to help you on all material, notably the material that's not part of the official course description. The tutors are least likely to be helpful concerning material that has a N/A next to it under the "Text" section of the course schedule.

The tutoring schedule changes each semester and will be released sometime in February.

XVIII. Course Changes

The instructor reserves the right to alter the schedule of the course if necessary but will notify the students of any changes to the schedule before the changes are implemented.

XIX. Grading, Evaluation, and Assessment Procedures

Weight of Assignments

<i>Assignment</i>	<i>Weight</i>
Reading Quizzes	0.5% each; lowest dropped (1% total)
First Look Paper	1%
Second Look Paper	7%
Blackboard Homework	1% each; lowest two dropped (10% total)
Economic Naturalist Questions	4%

Economic Naturalist Paper	16%
Exams	12% each (36% total)
Final	20%
Participation	5%

Reading Quizzes.

We will be reading three online readings. For each these readings, I will start the class with a short quiz to ensure you did the reading. These quizzes check for basic comprehension and should be easy for anyone who read the assigned material.

It is important, therefore, that you come to class on time (especially on days there's an assigned online reading.) If you miss a quiz, you get a zero for that quiz. I am well aware that the logistics of life can cause you to be tardy or miss class altogether and so I will drop your lowest quiz score.

If you miss multiple quizzes but have a compelling and documented justification for missing them, you may instead write a summary of the assigned reading no longer than one or two paragraphs (the length depending on the length of the reading). Your grade on this summary will replace a quiz grade. ***This option is only available to students who have a compelling and documented justification for missing the quiz and it must be claimed within one week the quiz occurred.***

First Look Paper.

We're going to cover a lot of different topics and ideas in this class. Even if your opinion on these topics don't change, how you justify that opinion very well might. This paper establishes your baseline stance for some topic we'll be discussing in class. Select one of the topics below and write a maximum 250 words on your views on the subject. What are the problems (or what are not problems but people think they are)? What policies or laws would you encourage, or discourage, to address these problems?

- Select one of the following topics: income inequality, trade, the role of the government in the economy, or economic growth (especially in under-developed countries).
- Note the primary purpose of this essay is about establishing your opinion.
- While this paper counts towards your final grade, it will not be graded. Completion of the assignment is all that's needed for full credit.

Second Look Paper.

This paper requires you to revisit the topic from your first look paper you completed in the second week of class. In a maximum of 750 words, how has a semester of economics changed (or not changed) your views on this issue? In writing this essay, be sure to draw on issues and concepts we've discussed, including (if relevant) any other sources you encountered when working on other assignments for this class.

- This paper should have a thesis based on whatever topic you chose in your first look paper. Keep in mind that your thesis should be a complete thought, not "I agree with my

first look paper” or “I’ve changed my mind.” I shouldn’t have to refer to your first look paper to understand your argument.

- You are, however, welcome to refer to your first look paper. Part of the goal of this assignment is for me to understand and you to articulate how your thinking has evolved. Noting how your thinking has changed—or not changed—is a good basis to present your argument.
- Resist the temptation to simply summarize class material. This paper is about applying what you learned to what you believe and prioritize.
- When grading your paper, one thing I’m looking for is a more nuanced understanding of complex issues. We will over discuss approaches that have advantages and disadvantages; I expect your paper to reflect not only this complexity but also, in support your thesis, why you think one side of the debate should have greater weight than the other side.

Blackboard Homework.

There will be twelve homework assignments completed through Blackboard. The lowest two will be dropped.

You will have two (2) attempts to complete each homework. After each submission, you will be informed which questions were wrong. Your score for the homework will be your best score among all attempts.

Answers will be displayed after the due date has passed. Therefore, you **cannot** start the homework after the due date has passed and any homework submitted after the due date will **not** be accepted. Blackboard is very strict in this regard; even being one second late will mean you cannot start the homework.

Economic Naturalist Assignment.

This semester you’ll be reading *The Economic Naturalist* by Robert Frank. It’s a collection of short essays that his student wrote for his economic naturalist assignment. You’ll be doing the same assignment and these examples will not only help you understand the material but also what to expect of the assignment.

Economics is a widely applicable discipline, able to shed light on a variety of everyday puzzles. But it all boils down to the same principles and themes. This assignment is about you using one of the ideas we discussed in class to explain a puzzle from the world around you.

A document on Blackboard called *The Economic Naturalist Advice* offers additional tips for both asking questions and for answering them.

- *Questions.* I thought about giving you a list of questions to choose from in case you couldn’t think of one. But this robs you of one of the advantages of the assignment: forming your own questions and thinking about if they are good or bad and why. So instead you will submit five questions you’ve come up with. **Don’t answer them**—this is

to encourage you to practice seeking puzzles and discourage procrastination. ***Do not use questions from the Frank book or from class. A document on Blackboard call Questions Used in The Economic Naturalist lists all questions from the book; reference that to ensure you aren't repeating a question.***

I suggest you consult the book for ideas and to understand the sort of questions I have in mind. To gather your questions, I suggest you visit the world around you and examine it with a critical eye. Notice the differences in products or procedures. Visit a variety of stores. Study your fellow humans—it's called the economic naturalist because this is the sort of thing biologists do. Using basic principles of biology you can unravel a variety of mysteries from the world around you. So it is with economics.

- *Economic Naturalist Paper.* Your space is limited to 500 words—the best papers are concise and approachable. Your ability to communicate is just as important as the question you ask (and yes, the title of your assignment should be in the form of a question).

When answering your question, it's important to be complete. The best questions have an element of paradox to them so unless you solve the paradox you haven't really answered the question. For example, one student once asked "Why are there Phillips head and straight head screws?" An excellent question. But the student answered by describing the history of the Phillips head. The cross shape prevented the screwdriver from slipping away from the screw. But this *does not* explain why we still have straight screws. The question remains only partially answered.

Remember to double-space your paper.

Exams.

The three exams will comprise of short answer, true/false and justify, and multiple choice. Since all exam dates are listed here, you will be expected to attend them. Failure of attendance results in a zero for the exam. Exceptions will only be made in extreme circumstances (such as a death in the family) and in those cases written proof (such as a death certificate) must be presented.

The use of graphing calculators or any calculator which is built into a phone is not permitted.

Final.

The final is comprehensive. I suggest you review past exams to help prepare.

The final schedule for May is available now, on the college's website. You have signed up for these classes with this knowledge at hand. I will not let you take your final at a different time just because you don't like your schedule.

Participation.

I'm a strong believer that people learn best if they speak up. It's a good rule not just for learning but for life in general. However because there's a lot of material to cover, we cannot always have an in depth class discussion. Thus the expectations for participation reflect that—a substantive comment or question once a week will fulfill the requirement just fine.

XX. Late Policy

For *every* 24-hour period (rounded up) an assignment is late, there is a 10% penalty. Because all assignments are turned in through Blackboard, weekends count towards this period (turning something in Monday when it was due Friday would count at a 30% penalty).

If you miss an exam, you make appropriate arrangements with me and the Montgomery College Assessment Center. There is a form to fill out (the Faculty Test Request Form). I will not allow you to make up an exam after I've graded and passed it back.

Poor Internet or other technical problems is not a compelling reason to turn in an assignment late; this is a foreseeable problem—akin to traffic—and it's a possibility that should be accounted for.

XXI. Challenges

Students are encouraged to challenge how any assignment was graded. To challenge the score on a question, *type* a paragraph explaining why your answer is the correct one and are thus deserving of additional points. I am not, repeat *not*, interested in reading about any mistakes you made but why you believe you are more correct than I gave credit. These challenges are due one week after the graded assignment was passed back or posted on Blackboard.

XXII. Reviewing Papers

I'm happy to look at your paper before you turn it in. However you *must* give it to me at least 72 hours before the assignment is due. I do not have time to review dozens of papers at the last minute and will refuse to look at any paper any closer to the deadline.

XXIII. What's My Grade?

If you want to know your grade-to-date, multiply your score on each assignment by its weight (indicated in the previous section). Then divide by the total percent assigned so far. Compare the result with the grading scale (below) to determine your grade.

All assignments are out of 100 points. For participation, you'll want to adjust the weight of the participation for how far in the semester you are in. For example, if you want to know your grade about 20% into the semester, you'll want to give participation a 2% weight rather than a 10% weight.

Grading Scale (points or percent needed for specific grades). Your grade, for both the midterm and the semester, will be determined by how many points you've accumulated throughout the class (by the table below).

A: 90+ | B: 80-89.99 | C: 70-79.99 | D: 60-69.99 | F: 0-59.99

Note that these are strict bounds: if you get 89.99 points for the semester, that's a "B," not an "A." I will only "round up" if I feel it's appropriate. This may mean you:

- Regularly went above and beyond what's required for full credit (such as discussion participation);
- Exhibited increasing mastery of the material as the semester moved forward (impressive, since the material gets harder as the semester moves forward); and/or
- Consistently demonstrated an understanding of particularly important question(s), especially if your fellow students had trouble with such question(s).

Example. Now that he's completed his first exam, Henry wants to know his grade-to-date. Here are his grades so far:

<i>Item</i>	<i>Score</i>	<i>Weight</i>	<i>Item</i>	<i>Score</i>	<i>Weight</i>
Homework 1	100	1%	Participation	100	2.5%
Homework 2	60	1%	Exam 1	77	15%
Homework 3	80	1%			

Note that since it's so early on in the semester, we made Henry's discussion grade worth 2.5% (since we're one-fourth through the semester) rather than 10%.

Since all the homework is being adjusted by the same weight, we can add it all together first (240). And so:

$$240 \times 0.01 + 100 \times 0.025 + 77 \times 0.15 = 2.4 + 2.5 + 11.55 = 16.45$$

The total percent so far is:

$$1\% + 1\% + 1\% + 2.5\% + 15\% = 20.5\%$$

Now we divide:

$$16.45 / 0.205 = 80.2$$

Despite his Exam 1 grade, Henry's grade-to-date is a B (but just barely!).

XXIV. Tentative Schedule

The following table describes this course day-by-day. "#" indicates which numbered lecture is covered that day which will aid you finding the lecture notes on my website. "Text" indicates the chapter of the textbook we will be referencing that day.

Blackboard homework is due the night before the review at 11:59pm.

UNIT	DATE	#	TOPIC	TEXT	READING	
I	01/22	01	Introduction	1		
	01/24	02	Economic Systems I	1		
	01/26	03	Economic Systems II	N/A		
	01/28	FIRST LOOK PAPER DUE AT 11:59PM				
	01/29	04	Opportunity Cost	2	Bastiat¹	
	01/31	05	Marginal Analysis & Supply and Demand	2	EN Intro & #1	
	02/02	06	Shifting Supply and Demand	3	EN #2	
	02/05	07	Understanding Supply and Demand	3		
	02/07	08	Personal Finance & Investment	N/A		
	02/09	09	Signaling Theory and Education	N/A	EN #7	
	02/11	HOMEWORK 1-3 DUE AT 11:59PM				
	02/12	—	Review			
	02/14	EXAM 1				
II	02/16	10	Income Inequality I	N/A		
	02/19	11	Income Inequality II	N/A	EN #3	
	02/21	12	Globalization & Balance of Payments	10		
	02/23	13	Comparative Advantage	20		
	02/26	14	Production Possibilities Frontier	2		
	02/28	15	Growth and Development I	7	EN #6	
	03/02	16	Growth and Development II	7		
	03/05	17	Public Choice I	N/A	Buchanan²	
	03/07	18	Public Choice II	N/A		
	03/08	HOMEWORK 4-6 DUE AT 11:59PM				
	03/09	—	Review	N/A		
	03/12	NO CLASSES—SPRING BREAK				
	03/14					
03/16						
03/19	EXAM 2					
III	03/21	19	GDP I	6		
	03/23	20	GDP II	6		
	03/26	21	GDP III	6	EN #8	
	03/27	ECONOMIC NATURALIST QUESTIONS DUE AT 11:59PM				
	03/28	22	Unemployment I	8		
	03/30	23	Unemployment II	8		
	04/02	24	Nature of Money	14	Radford³	
	04/04	25	Inflation I	9		
	04/06	26	Inflation II	9		
	04/08	HOMEWORK 7-9 DUE AT 11:59PM				
	04/09	—	Review	N/A		
04/11	EXAM 3					

¹ Introduction and the first section (up through 1.21):

<http://www.econlib.org/library/Bastiat/basEss1.html#Chapter%201>

² <http://dyoungberg.com/Buchanan.pdf>

³ <http://dyoungberg.com/Radford.pdf>

IV	04/13	27	Long-Run Aggregate Supply	11	
	04/16	28	Short-Run Aggregate Supply	11	
	04/19	ECONOMIC NATURALIST PAPER DUE AT 11:59PM			
	04/18	29	Aggregate Demand	11	
	04/20	30	How Banks Work	14	
	04/23	31	The Great Depression	N/A	
	04/25	32	Fiscal Policy I	17	
	04/27	33	Fiscal Policy II	18	
	04/30	34	Monetary Policy I	14 & 15	
	05/02	35	Monetary Policy II	14 & 15	
	05/03	HOMEWORK 10-12 DUE AT 11:59PM			
	05/04	—	Review		
	05/04	SECOND LOOK PAPER DUE AT 11:59PM			
	05/09	FINAL EXAM: 8:00AM TO 10:00AM			

Note: This syllabus is subject to change at the discretion of the Professor.