

SYLLABUS

**Columbia University
Department of Economics**

Principles of Economics
W1105.003 – TR: 10:35a–11:50a 207 Math
Fall 2009
 #1103B
 12:10p - 01:10p

Dr. Anna C Musatti
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 IAB

Office Hours: T

W 01:10p - 02:10p

Goals of the Course: Welcome to the fascinating world of economics. Modern economists work on a wide range of interesting questions: What can be done to slow down climate change? Should anything be done at all? Why is the world more unequal today than when our grandparents were born? Why are useless diamonds much more expensive than essential water? How should countries organize health care delivery? What is a financial crises? How does it cripple national economies?

This class will show you how economists approach these questions and will introduce you to the models used to work out possible answers.

The main objective of the course is to teach you, in a very accessible way, a number of fundamental economic concepts and simple economic models, to improve your economic literacy and allow you to follow and participate in all current policy debates.

Required Textbook: G. R. Hubbard and A. P. O'Brien **Economics** Pearson-Prentice Hall (2nd edition)

The study guide is recommended. During the semester, we will also read articles from economic blogs, newspapers and magazines to keep us current with the goings of the world economy around us. The textbook paragraphs listed in the weekly outline should be read before each corresponding lecture.

Recitation Sessions: Each week you will be offered the opportunity to attend a small size recitation session. These sessions are an integral part of the course and at times introduce topics not covered in class. They always provide the best environment to work on economic applications and problems. The sessions are mandatory. **You can register on SSOL** by adding one of the following w1155.*** sections to your schedule. **Make sure you register for one of the sections listed below using the corresponding call#.** The other sections listed on the registrar's bulletin are linked to [other classes](#).

Sect#	call#	Day	Meeting Time	Location	Recitation Leader
018	82784	Thursday	02:10 p.m. - 03:00 p.m.	1101 IAB	Takakazu Honryo
019	18003	Thursday	03:10 p.m. - 04:00 p.m.	1101 IAB	Takakazu Honryo
020	56156	Monday	10:00 a.m. - 10:50 a.m.	302 Fayer.	Micheal Egley
021	81002	Monday	04:10 p.m. - 05:00 p.m.	901 IAB	Giovanni Paci
022	82751	Monday	05:10 p.m. - 06:00 p.m.	901 IAB	Giovanni Paci
023	74783	Tuesday	09:00 a.m. - 09:50 a.m.	901 IAB	Grant Graziani

The recitation cycle runs from Thursday afternoon to Tuesday morning included. All recitation sections within each cycle run in parallel and cover the same material. If you think you might miss your regularly scheduled session, you can (and are strongly encouraged to) attend another session offered within the same cycle.

Recitation Leaders: Giovanni Paci (gp2282), Takakazu Honryo (th2227), Micheal Egley (mbe2111) and Grant Graziani (gcg2110) are the recitation leaders for this semester. Recitation leaders selected by the Columbia University Economics Department have always proven to be very well prepared and helpful. In recitation they might cover new material, but mainly they solve exercises and answer students' questions. You are strongly urged to attend recitation as each week the material covered in recitation offers a useful bridge between what was addressed during lecture and what is asked in home assignments. Recitation leaders will also hold weekly office hours where they will be available to review concepts and answer questions. However, they will only provide help to students that can show they have attended class and studied the material.

Recitation Leaders Office hours:

<u>Recitation Leader</u>	<u>Day</u>	<u>Meeting Time</u>	<u>Location</u>
Giovanni Paci	Monday	07:10 p.m. - 08:10 p.m.	Watson Library (Uris)
Takakazu Honryo	Tuesday	01:00 p.m. – 02:00 p.m.	Lehman Library
Micheal Egley	TBA	TBA	TBA
Grant Graziani	TBA	TBA	TBA

Changes to time and location of recitation leader's office hours will be posted on Courseworks.

Course Requirements (weight in parenthesis): Course grades will be based on (i) an in class midterm exam (30%); (ii) weekly home assignments (10%); (iii) 6 in class quizzes (10%); (iv) a comprehensive final exam (50%). The weighted average of the scores received in the requirements listed above will be curved according to a standard common to all sections of Principles of Economics.

Exams: The midterm exam is scheduled for **Tuesday, October 27th 2009** during lecture time. The date of the final exam will be set in accordance to the University calendar. The exams will cover all lectures, recitation sessions, problem sets and assigned readings. **Exams will be closed book and no use of electronic devices will be allowed.**

Review Sessions: Special review sessions will be offered on Friday October 23rd Time and Location TBA and Tuesday December 15th in Math 207 at 10:35 am.

Home Assignments: Weekly home assignments are the most effective tool to review the material covered in class and keep you current in preparation for the exams. Each week a new assignment will be **posted on Courseworks on Thursday** and will be **due in class at the start of lecture the following Thursday**. Homework may be dropped off early, but not late. Solutions will be posted on Courseworks each Thursday at the end of class. The first home assignment will be posted on *Courseworks* on September 10th and will be due on September 17th. Home assignments will be graded on a check+ (4 points), check (3 points), check - (2 points) and 0 basis. Marked assignments will be returned during recitation sessions. Before handing in your work, please mark on it the number of the recitation session you are planning to attend the following week (this need not be the session you originally enrolled in). While you are encouraged to discuss home assignments with your classmates, you must hand in your own copy. **Of the twelve home assignments only the 10 best scores will be considered for your grade.**

Under no circumstance you will be granted an extension or will be offered a make up for an assignment.

In class quizzes: On random dates during the semester you will be asked to solve brief in class quizzes. In these occasions you will be allowed to work in groups and to check your notes and/or textbook. Quizzes will be marked according to the home assignment policy. **Only the best 5 scores will be counted.** Solutions to the quizzes will be posted on Courseworks, but do not hesitate to ask about them in class.

Weekly Outline:

Readings:

Week 1

Tues. Sept. 8 th	Introduction to Economics	HO Ch. 1 and 2.1; 2.3
Thur. Sept. 10 th	The Case for Trade	HO Ch. 2.2 and Ch. 8.1; 8.2; 8.3
Recitation Session 1: Graphs and Math tools. (appl: PPF and opportunity cost)		HO Ch. 1–Append. & Ch.2.1

Week 2

Tues. Sept. 15 th	Demand and Supply I	HO Ch. 3.1; 3.2
Thur. Sept. 17 th	Demand and Supply II	HO Ch. 3.3; 3.4; notes
Recitation Session 2: The algebra of the Demand and Supply Model		Notes

Week 3

Tues. Sept. 22 nd	Efficiency and Taxes	HO Ch. 4.1; 4.2; 4.4
Thur. Sept. 24 th	The Responsiveness of Demand and Supply	HO Ch. 6
Recitation Session 3: Quantitative D&S analysis		HO Ch. 4 Appendix

Week 4

Tues. Sept. 29 th	Consumer Choice and Behavioral Economics	HO Ch. 9 Appendix
Thur. Oct. 1 st	Consumer Choice and Behavioral Economics	HO Ch. 9.3; 9.4 and notes
Recitation Session 4: Where demand curves come from.		HO Ch. 9.1 and 9.2

Week 5

Tues. Oct. 6 th	Firms: Technology, Production and Costs	HO Ch. 10
Thur. Oct. 8 th	Competitive Markets I	HO Ch. 11.1; 11.2; and 11.4
Recitation Session 5: The geometry of cost curves		HO Ch. 10

Week 6

Tues. Oct. 13 th	Competitive Markets II	HO Ch. 11.4 and 11.5
Thur. Oct. 15 th	Non Competitive Markets I	HO Ch. 13.1 and 13.2
Recitation Session 6: Practicing the Geometry of Perfect Competition		HO Ch 11.2 and 11.3

Week 7

Tues. Oct. 20 th	Non Competitive Markets II	HO Ch.14 (not 14.5); Ch. 15.1;15.2
Thur. Oct. 22 nd	Market Failures	HO Ch.5, Ch. 17.1, 17.2 and 17.3
Recitation Session 7: Review		

Week 8

Tues. Oct. 27 th	10:35-11:50 a.m. MIDTERM EXAM	(All textbook paragraphs listed above)
Thur. Oct. 29 th	GDP: Measuring Production and Income	HO Ch.19
No Recitation Session		

Week 9

Tues. Nov. 3 rd	UNIVERSITY HOLIDAY – NO LECTURE	
Thur. Nov 5 th	Inflation and unemployment	HO Ch. 20
Recitation Session 8: National Accounting; the CPI and the GDP deflator		HO Ch.19 and 20.4

Week 10

Tues. Nov. 10 th	Output and Expenditure in the Short Run I	HO Ch.21.3; and Ch. 23.1; 23.2; 23.3
Thur. Nov. 12 th	Output and Expenditure in the Short Run II	HO Ch. 23.4 and 23.5
Recitation Session 9: The algebra of the Short Run Model		HO Ch. 23 and Ch. 27 – Apps.

Week 11

Tues. Nov. 17 th	Aggregate Demand and Aggregate Supply I	HO Ch. 24.1 and 24.2
Thur. Nov. 19 th	Aggregate Demand and Aggregate Supply II	HO Ch. 24. 3 and 24.4
Recitation Session 10: Using the AS/AD Model		HO Ch. 24.4

Week 12

Tues. Nov. 24 th	Money, Banking and Financial Markets	HO Ch. 25.1; 25.2; 25.4
Thur. Nov. 26 th	THANKSGIVING – NO LECTURE	
No Recitation Session		

Week 13

Tues. Dec. 1 st	The Fed and Monetary Policy I	HO Ch. 25.4 and 26.1; 26.2
Thur. Dec. 3 rd	Monetary and Fiscal Policy	HO Ch. 26.3 and Ch. 27
Recitation Session 11: The monetary multiplier		HO Ch. 25.3

Week 14

Tues. Dec. 8 th	Economic Growth and the Global Economy I	HO Ch. 21.1 and Ch. 22.1 and 22.2
Thur. Dec. 10 th	Economic Growth and the Global Economy II	HO Ch. 22.4/5 and lecture notes

Recitation Section 12: The Geometry of the Solow Model

Notes

Tues. Dec 15th Special Review Session 10:30 – 12:30 207 Math

Final Exam – Location and Time: TBA