Economics nn-nnn

ECONOMICS FOR EVERYONE

Spring 2020 (proposed)

This course has three blocks of classes. Block 1 examines the method and scope of economics, introducing some fundamental principles, and by appealing to some important historical examples illustrates how the definition and methods of the subject have evolved. Block 2 focuses on the “theory of value,” the micro-economics of perfectly competitive markets to illustrate the efficiency of markets and how economists think about the role of public policy when markets “fail.” Block 3 introduces national income accounting and macroeconomics, the revolution in thinking in the aftermath of the Great Depression of the 1930s, and how the standard Keynesian model remains useful in understanding the Great Recession of the last decade.

Class 1  0. Administration
Class 2  1. Preliminaries – an analysis of the Great Recession

Block 1  The method and scope of economics
Class 3  2. A definition of the subject?
Class 4  3. Economic growth and income distribution
Class 5  4. International trade and some core concepts

Block 2  Micro-economic theory of competitive markets
Class 6  5. Prices and market structures
Class 7  6. Demand and supply, perfectly competitive markets
Class 8  7. Applications of demand and supply
Class 9  8. Applications of demand and supply
Class 10 9. Market failures and public policy

Block 3  National accounting and macro-economic theory
Class 11 10. Macro economic indicators
Class 12 11. The National Accounts
Class 13 12. Unemployment and the Keynesian model
Class 14 13. Monetary and fiscal policy
Course Description and General Objectives

Upon completion of this course successful students will be familiar with the basic principles of economics and be able to apply them critically to issues dealing with American and international public policy. Students will read, summarize, and critically assess texts in economic theory, public policy documents, and media reporting, working both individually and in groups to produce written reports and oral presentations.

The course has been specially designed to meet the needs of graduate students in all disciplines who may have had only limited exposure to economics during their undergraduate studies. Upon completion of the course students will have the skills and knowledge to understand and critically assess public policy debates dealing with both micro and macro-economic issues, as well as to enrol in more advanced courses in economic theory.

Specific Learning Goals and Outcomes

1. To develop a knowledge of economic principles
   a. Students will be introduced to the basic principles of both micro and macro economic theory through lectures based upon a variety of readings they will do from standard texts.
   b. Students will enhance their familiarity with economic problems and methods of reasoning through a series of assignments.
   c. In consultation with the professor and working in small teams, students will make a presentation summarizing a relevant aspect of economic theory and its application to public policy.

2. To apply economic reasoning to public policy issues
   a. Regular reading of media reports, either newspapers or web based, will enhance familiarity with the economic aspect of public policy issues. The instructor has set up a Twitter account at twitter.com/MilesCorak, with the handle @MilesCorak, and a website at MilesCorak.com as a way of remaining in conversation with students, offering direction to current events and articles of interest, and in particular to direct students to newspaper articles and posts that are credible and of particular interest. The Twitter hashtag #GCECON will usually be used for this purpose.
   b. The professor will also make available recent public policy documents and other readings that students may read individually or as a group, present to the class, and submit written critiques.
Teaching Methods and Skills Development

Successful learning requires continuous and conscious engagement with the subject, and active in-class participation is an essential part of this engagement. It will serve as an important basis for evaluating the student’s work in this course.

The successful student will take full advantage of the opportunities provided in class. Attending classes, handing in assignments on time, and consistently contributing to the class in all activities—whether group, pair, or individual—will all be considered as measures of success in effectively using class time.

The classroom is intended to be a safe place where students can question and practice, receive feedback from both the instructor and their peers, and rely on their classmates as partners and resources in the learning process. The instructor’s role is to provide resources, guidance, and support, but students are responsible for engaging actively in the process. Active listening and engagement requires, at a minimum, that students turn off and store all cell phones.

Students are responsible for completing readings before the class, being prepared for discussions, submitting assignments on time, volunteering material for the consideration of the class, and working constructively as a team member. The nature of a successful student’s participation might be characterized by the phrase “informed engagement.”

The teaching approach will involve the use of theory to highlight important public policy debates; adopt the view of economics as a science that has developed and is developing in response to a conversation between theory, policy needs, and data availability; and also encourage an appreciation of the historical context and the personalities of the great thinkers who have helped to shape the subject.

Resources

Students are required to have access to the following three books.

The first is an economics textbook, available at no cost on-line.


This book offers both a standard and innovative treatment of the materials in a first year economics course. The authors describe the book by saying:

The Economy is a course in economics. Throughout, we start with a question or a problem about the economy—why the advent of capitalism is associated with a sharp increase in average living standards, for example—and then teach the tools of economics that contribute to an answer.

For each question, the material is in the same sequence. We begin with a historical or current problem, even if it is a complex one, and then we use models to illuminate it.
It will be used as the standard reference text, offering the basis for some lectures, student led presentations, and also for supplemental reading as well as some assignments.

The second is:


Written in a lively and accessible style this book, by a noted political economists and public policy analyst, explores economic theory with the objective of illustrating the power of economic logic to clarify sometimes confused thinking. On page xiv of his preface the author states:

> I felt there was a need for a book that [was aimed] at both economists and noneconomists. My message for economists is that they need a better story about the kind of science they practice. I will provide an alternative framing highlighting the useful work that goes on within economics, while making transparent the pitfalls to which the practitioners of the science are prone. My message for noneconomists is that many of the standard criticisms of the economics loses their bit under this alternative account. There is much to criticize in economics, but there is also much to appreciate (and emulate).

This will be used to complement the formal analysis of both micro and macro-economic theory, but principally to appreciate both the clarity and blind spots of economic theory to analyse contemporary public policy issues.

The third book is:


This book, by a noted journalist associated with *The Financial Times*, offers readers the opportunity to develop a quick familiarity with economic reasoning, some of the basic principles of micro and macro economics, and with their application to public policy. It will also be used to complement our formal analysis. In particular, the book will be used as the basis for the content and structure of some of the professor’s lectures, but also for student led discussion and presentations.

Students will also be required to make use of the Internet to download documents that will be used during the course. The suggested readings from academic journals can be obtained through the e-journal facility of the library, and in particular from JSTOR.

**Assessment Methods**

Emphasis is given to the student’s engagement in the course and the activities of the class. This is best demonstrated by motivated and informed involvement. This requires attending all scheduled classes, but also having completed the readings before the class and being prepared to engage in discussion. It involves contributions to group work, completion of assignments by
the required date, and attention to feedback from peers and the instructor. But obviously if students are not present they cannot participate, and regular attendance is therefore required. Appropriate documentation justifying an absence is required.

The course mark will be either pass or fail. The grading to determine a pass or a fail will be based on the following weighting:

- Informed engagement: 20%
- Two in class tests at 15% each: 30%
- Class presentation and oral examination: 20%
- Final examination: 30%

The final grade will be the higher of the grade determined according to this weighting, or according to a weighting in which the final exam counts for 40% and the in-class test with the lowest mark for five percent.

Class presentations will be completed in small groups, and scheduled over the course of the semester. They require a group meeting with the instructor, involving all members of the group, on the Thursday afternoon before the scheduled in-class presentation. The purpose of this meeting is to have the group present a dry-run of the presentation to the professor, and to receive feedback in preparing the final version. This requires a completed PowerPoint presentation, and a mock-up, but well prepared, presentation. An individual meeting with the professor in the days after the presentation may also be required. The purpose of this meeting is to conduct an oral examination covering the subject of the presentation.

Students will also be required to have at least one meeting with the instructor at some point during the week after the first in-class test to discuss their progress, and any barriers they perceive to their learning. Students are asked to keep a weekly diary of their experiences in the course, and may be asked to verbally offer information from the diary. The diary should address particular insights they have valued, problems they are confronting, and appropriate changes to their learning styles/techniques and the professor’s teaching style. Both the meeting and the diary are intended to be vehicles for constructive feedback and do not form part of the course evaluation.

The final examination will be three hours in length and take place during the examination period. Please note that attendance at courses is compulsory, and that the professor may exclude from the final examination any students whose attendance or participation is unsatisfactory. Students who miss both in-class tests without valid and appropriate documentation being given to the instructor will not be permitted to write the final examination, and will be assigned a failing grade for the course. Students who miss one or more in-class tests with valid and appropriate documentation will have their final examination account respectively for 45% or 60% of their grade.
Course Structure

The course materials will be presented in three blocks, highlighting three themes. The specific materials to be covered will be offered in a completed course outline, but this list will be indicative and other materials may be introduced at the professor’s discretion according to student needs and interests. Some of these readings will also be the basis of assignments.

The course begins with a preliminary discussion of the causes and consequences of the financial crisis and economic recession that began in the fall of 2008. This discussion is intended to raise issues, vocabulary, and questions that will motivate some of our studies, and that will be revisited throughout the course, and particularly toward the end.

BLOCK 0 Preliminaries – An analysis of the Great Recession


BLOCK 1 – The method and scope of economics

1. A definition of the subject. 2. Economic methods and models. 3. The two great questions: how a society generates a surplus, how that surplus is distributed. 4. Positive versus Normative economics. 5. Some core concepts and pitfalls: scarcity, opportunity costs, marginal reasoning. 6. Comparative advantage and the gains from trade.

BLOCK 2 – Micro-economic theory of perfectly competitive markets


Block 3 – National accounting and macro-economic theory


https://www.visualcapitalist.com/the-history-of-interest-rates-over-670-years/