

ECONOMICS 1: INTRODUCTION TO ECONOMICS

Lecture: MW 10:10 - 11:00 a.m., Wheeler Auditorium

Course website: socs.berkeley.edu/~olney/spring05/econ1/

This syllabus is the contract between you and me. Please read it carefully. "I didn't read the syllabus" is not an acceptable excuse for missing an exam, overlooking a reading, skipping a problem set, and so on. Prof. Olney

This is an introductory course in economic principles. The course covers both microeconomics and macroeconomics. Topics include: economic modeling; allocation of resources; household and firm decision-making; imperfect competition; economic analysis of unemployment, inflation, and economic growth; the role of government in the domestic economy; international trade and finance; the domestic financial system; and U.S. economic policies of the last quarter century. Primary emphasis is placed upon acquiring skills with which to analyze current economic issues.

Professor's Office Hours:

Professor Martha Olney, 691 Evans Hall, (510) 642-6083, MOlney@econ.berkeley.edu

Drop in: Tuesdays 4:00 - 5:00 p.m.; Wednesdays, 11:30 a.m. - 1:00 p.m. Other times by appointment.

Head GSI's Office Hours:

David Owens, 508-2 Evans Hall, (510) 642-4629, owens@econ.berkeley.edu

Drop in **Weeks 1 and 2:** Monday, Tuesday, and Wednesday, 3:30-5:30; Thursday, 1:30-3:30; Friday, 8:30-10:30

Weeks 3 and beyond: Monday 3:30-4:30. Other times by appointment.

Adding the Course:

The department relies completely on TeleBears for enrollment purposes. To add the course, first check the online schedule of classes (schedule.berkeley.edu/srchsprg.html) to see which sections have space and then access TeleBEARS. Your chances are better if you choose a section that is underenrolled. If you are already on the waiting list but want to change your section choice, access TeleBEARS and use the change section option. **Do not drop yourself from the course wait list, or you'll lose your place "in line."** Simply change sections. See Head GSI David Owens (508-2 Evans, owens@econ) Desiree Schaan (508-2 Evans, dschaan@econ) or Sandy Jaeger (543 Evans, sandy@econ) for assistance.

Discussion Section:

Attendance in section enhances your understanding of the material. Section meets two hours per week. GSI's will announce their office hours in section. *During the first week of classes, you must first attend the section to which you were assigned by TeleBEARS as of Monday night January 17. If you do not attend that section the first week, you will be removed from the class.* If you have changed section, attend the new section thereafter. GSI assignments and email addresses for GSI's are on the course website. GSI assignments are subject to change.

Textbooks and Other Materials:

Required: Karl Case and Ray Fair, *Principles of Economics*, 7th ed., 2004.

Required: Enrollment in aplia.com – see below.

Required: Regular reading of a first-rate news source (print or online version).

Optional: Study Guide to Accompany *Principles of Macroeconomics*, 2004.

Optional: Study Guide to Accompany *Principles of Microeconomics*, 2004.

Letter of Introduction: For your second section meeting, please write a typed or handwritten one-page letter of introduction of yourself to your GSI. Include your name and anything about yourself that you would like to share. If you can, please include a photo of yourself, as this will help your GSI learn your name. The paper will not be graded nor returned.

Contacting You: Prof. Olney and the GSIs will use your Bear Facts email address. Be sure your email address registered with the University is correct, your spam filters are not set too tight, and that your inbox is not full.

Responsibilities — Mine and Yours — and Course Requirements

My responsibilities are to come to class prepared; respond to and encourage questions and other appropriate class participation insofar as class size permits; oversee grading of problem sets and exams; be available during office hours and for scheduled appointments; and stimulate an enthusiasm for economics and for learning.

Your responsibilities are to attend and participate in lecture two hours per week; attend and participate in section two hours per week; complete the assigned readings in a timely manner (allowing time to re-read difficult chapters); complete all assignments – including those on aplia.com – on time; and take two in-class midterms and a comprehensive final.

Discussion section is important. Lectures move quickly. We typically cover an entire chapter in one 50-minute lecture. Section with your GSI is a key part of learning the material. Your GSI will go over material from the text and lectures. Newspaper articles occasionally distributed via aplia.com will be discussed in section. Your active participation in section will enhance your understanding of the course material, which will be helpful on problem sets and exams.

Your course grade will be based on your performance on a comprehensive final, two midterm exams, completion of problem sets distributed in lecture, and successful completion of assignments on aplia.com. You must pass the final in order to pass this course. Exams cover material in lecture, in section, and in the assigned readings. The weights that will be used to compute your total point score (from which a letter grade will be determined) and the exam dates are below.

Due Dates and Share of Total Points

Assignment	Date	Percent of Grade
Aplia.com Assignments	Throughout term	15 %
Five Problem Sets	As Noted Below	5 %
Midterm #1	Monday, February 28	20 %
Midterm #2	Monday, April 18	20 %
Final Exam	Friday, May 13, 5-8 p.m.	40 %

Exams

The first midterm exam will be held Monday, February 28, 10:10 - 11:00 am. in Wheeler Auditorium. The first exam will cover the material presented in lecture, section, and the assigned readings up to and including Wednesday, February 23. The second midterm exam will be held Monday, April 18, 10:10 - 11:00 am. in Wheeler Auditorium. The second exam will cover the material presented in lecture, section, and the assigned readings since the first midterm and up to and including Wednesday, April 13. The final examination will be comprehensive and will cover all material presented in lecture, in section, and in the assigned readings.

Make-up Exam Policy

There are no scheduled make-up exams. Students who miss a midterm and who have an excuse meeting University standards will be required to complete an additional assignment. If it is completed acceptably, they will have their other exams weighted proportionately more. Excuses must be approved by the Head GSI, David Owens, within 24 hours of the scheduled exam. ***If you cannot take the final at the scheduled time, do not take this course!***

Aplia.com Assignments

Aplia.com is an online resource developed by economist Paul Romer to provide economics undergraduates with regular practice and graded homeworks. You are required to sign up for Aplia. Weekly homework assignments will be completed on the Aplia website. These assignments will collectively count for 15 percent of your grade. (The allocation of the 15 percent will depend upon the number of assignments completed and the percent correct on each completed assignment.) The Aplia site requires a separate registration process. The registration steps are given in a document on the course website. They are:

1. Connect to <http://econ.aplia.com>
2. Complete the Configuration Test and make adjustments to your configuration if necessary
3. Return to the Sign In page and click "Register Here"
4. Enter your e-mail address and select a password
5. Then, enter your course key, which is: K6AW-3DMR-CWBA

You will only need to register once. After the registration process is complete, you will not need to enter the course key again. For technical problems or problems signing in, please send Aplia an e-mail by clicking on the "Help" link in the upper-right corner of any page or by e-mailing support@aplia.com.

Aplia assignments: Many assignments come in pairs of practice and graded problem sets. The practice sets give you immediate feedback about whether your answer is right or wrong and an explanation of the correct answer. They are not

counted as part of your homework grade. Use them to check your understanding of the material. If you are confident, you can go directly to the graded problem set, and refer back to the practice set only if you want some additional help.

The graded problem sets have a firm due date which shows on the Aplia website. Typically the due date is Sunday night at 11:00:00 p.m. You can change your answers as many times as you like before the due date has passed. But, and this is important, Aplia assignments **must** be completed by the due date. Once the due date has passed, the grade will be recorded and it will not be possible to change your answers or complete the assignment at this point. These assignments are posted at least two weeks in advance. Do them early to avoid any emergencies preventing your completion before the due date. After the due date, you will be able to see the correct answers and the explanations for graded problems.

The cost of Aplia is \$21 per student for this class. You may register and use the website until 02/09/2005 without paying the fee. You will need to pay the full amount before 02/09/2005 to continue using the site. You may pay online with a credit card or electronic check, or you can mail a check or money order to the address provided on the Aplia site.

Problem Sets

There will be five problem sets distributed in lecture that you are to write answers to and submit to your GSI. You may work with other students on the problem sets, *but the written answers must be in your own words*. If you copy someone else's answer, that is cheating. Problem sets will be handed out in lecture and posted on the course website. They will be due in section as indicated below. Your grade for each problem set is either a 1 (problem set completed, and in your own words) or a 0. **Your GSI is not responsible for problem sets that are not turned in during section. Problem sets placed into a GSI's box may be stolen. Stolen problem sets receive a zero (0).**

Problem Set #1 Due second section, week of January 31
Problem Set #2 Due second section, week of February 14
Problem Set #3 Due second section, week of March 14
Problem Set #4 Due second section, week of April 4
Problem Set #5 Due first section, week of May 2

Grading of Exams

All exams consist of short answer, problems, and essay questions. Sample exams are on the course website. Exam answers are graded by your graduate student instructor. Answers are graded solely upon their content and not upon their intent. This means that we don't grade what you "mean to say" but what you actually write (even if you "knew the answer but just couldn't say it right"). This also means that answers that are illegible, rambling, or poorly organized will not receive high marks.

Your hand written problem sets and exams will be graded by your teaching assistant. Your aplia.com problem sets will be graded electronically. Care is taken to insure uniformity of grading standards across all discussion sections.

There is no fixed curve for this course. It is theoretically possible for everyone to earn an A. Past performance of students in Economics 1 indicates however that approximately 20 percent of the class will receive an A of some sort, about 30 percent will receive a B of some sort, and the remainder will receive C's or below.

This course can be taken Pass/Not Pass if you are otherwise free to do so. P/NP students are expected to do the same work as other students and will receive scores on all assignments. If the course grade is a C- or better, a P/NP student will receive a Pass. P/NP students must take the final in order to pass the course.

Academic Honesty Policy

In fairness to students who put in an honest effort, cheaters will be harshly treated. Any evidence of cheating will result in a score of zero (0) on that assignment or examination. Cheating on the final exam results in an "F" for the course. Cheating includes but is not limited to bringing notes or written or electronic materials into an exam or quiz, using notes or written or electronic materials during an exam or quiz, copying off another person's exam or quiz, allowing someone to copy off of your exam or quiz, and having someone take an exam or quiz for you. Incidences of cheating will be reported to Student Judicial Affairs, which may administer additional punishment.

Fire Alarm Policy

A truly annoying bad habit at UCB is the pulling of fire alarms by ill-prepared and selfish students who foolishly think their entire future rests on the grade on one midterm. This is a felony crime, punishable by a fine and time in jail. In addition, anyone caught pulling the alarm will fail the course and is subject to expulsion from the University. If the alarm is pulled

during an exam, the class will move to the Wheeler steps and surrounding plaza and finish the exam in the allotted time. In this event, look for your GSI and sit on the ground near your GSI.

Special Accommodations

If you require special accommodations for exams due to learning or other disability, you must speak with Head GSI David Owens **no later than February 6**. You will need to obtain the evaluation form from Disabled Students' Program (dsp.berkeley.edu, 230 César Chávez Center) which they will send electronically to Professor Olney.

Student Learning Center

We encourage you to take advantage of the services offered by the Student Learning Center, located in the César Chávez Center (slc.berkeley.edu/busad/econ1.html). The Student Learning Center offers study groups, individual tutoring, problem-solving workshops, and an adjunct course (Economics 98). Contact William Chiu at wchiu@berkeley.edu.

Course Outline and Reading Assignments

Reading assignments are below. All "Chapter" assignments are from Case and Fair, *Principles of Economics*, 7th ed. Read the entire chapter, unless pages are indicated. OMIT the appendix unless the words "including appendix" are given.

Wednesday, January 19	Organization of Course; Overview; Introduction to Economic Models READ: Chapter 1, including appendix
Monday, January 24	Production Possibilities Frontier; Opportunity Cost READ: Chapter 2
Wednesday, January 26	Model of Supply and Demand READ: Chapter 3
Monday, January 31 Problem Set 1 due this week	Model of Supply and Demand, continued READ: review
Wednesday, February 2	Elasticity; Consumer Surplus READ: Chapter 4
Monday, February 7	Household Budget Constraint; Utility Analysis READ: Chapter 5
Wednesday, February 9	Short-Run Profit-Maximization Decisions; Marginal Cost and Marginal Revenue READ: Chapters 6 and 7
Monday, February 14 Problem Set 2 due this week	Long-Run Decision Making by Firms READ: Chapter 8
Wednesday, February 16	Derived Demand for Labor and Land READ: Chapter 9
Wednesday, February 23	Physical Capital and Financial Capital; Investment Decisions READ: Chapter 10
Monday, February 28	MIDTERM EXAMINATION #1
Wednesday, March 2	General Equilibrium; Imperfect Markets; Externalities and Public Goods READ: Chapters 11 and 14
Monday, March 7	Monopoly READ: Chapter 12

Wednesday, March 9	Monopolistic Competition and Oligopoly READ: Chapter 13
Monday, March 14 Problem Set 3 due this week	Poverty; Income Distribution and Redistribution; Taxation READ: Chapter 15 and 16
Wednesday, March 16	Overview of Macroeconomics; Measurement of Total Output READ: Chapters 17 and 18
Monday, March 28	Unemployment and Inflation READ: Chapter 19
Wednesday, March 30	Aggregate Expenditures; Equilibrium Output; Multiplier READ: Chapter 20
Monday, April 4 Problem Set 4 due this week	Government Spending; Fiscal Policy READ: Chapter 21
Wednesday, April 6	Money Creation; The Federal Reserve System READ: Chapters 22 and 23
Monday, April 11	Money Demand; Interest Rates and Investment READ: Chapters 24 and 27
Wednesday, April 13	The Stock Market READ: Chapter 28
Monday, April 18	MIDTERM EXAMINATION #2
Wednesday, April 20	International Trade READ: Chapter 32
Monday, April 25	Open Economy Macroeconomics READ: Chapter 33
Wednesday, April 27	Aggregate Demand and Aggregate Supply READ: Chapter 25
Monday, May 2 Problem Set 5 due this week	Using the AS/AD Model READ: Catch up!
Wednesday, May 4	Long-Run Economic Growth; Productivity Slowdown READ: Chapter 30
Monday, May 9	Concluding Remarks
Friday, May 13 5:00 - 8:00 p.m.	FINAL EXAMINATION