Economics 4999: Spring 2013

Dr. Jonathan E. Leightner

Office: Allgood Hall # E-139

Office Hours: Monday and Wednesday 1pm – 2:30pm and 8:15pm – 10:15pm

Tuesday 8:30am – 11:30am. Appointments at other times are also possible.

Drop-ins are welcome; however, students with appointments have priority.

Goals:

1. Students should understand the basic, current, western micro and macroeconomic models so well that they can explain and use these models. In order to use the models, students will need to be able to replicate key graphs and discuss what causes different lines to shift and the resulting consequences.

2. Students should understand that these economic models are tools with uses and limitations. Furthermore, they should be able to evaluate the usefulness of these tools for analyzing different "real world" situations and be able to apply the models when appropriate.

Grades:

To earn a “C”, “B”, or “A,” the student must earn at least a 70, 80, or 90 average, respectively.

Test 1 and 2 @ 25% each = 50%

Quizzes 25%

Article Scavenger Hunt 25%

Tests:

Each test will have two parts. The first part will require the reproduction and application of key graphs and explanations. Part one of the test must be handed in before the student will receive the second part of the test. The second part of the test will be multiple choice where a significant number of the questions will require the student to recognize which graph best fits a given passage from a newspaper article. The newspaper article will be given to the class at least one class period before the test; however, the passages of that newspaper article that will be on the test will not be marked.

Article Scavenger Hunt Rules:

All articles must be dated between January 1, 2013 and May 1, 2013. Articles in the Wall Street Journal, as well as in other respectable newspapers, may be used; however, each article must be cut out of the print version of the newspaper or be a photo copy of the print version of the newspaper. Each article should be referenced with the date, page, column number, and author (when available). Each article must be accompanied by a statement of the article’s main points (one to three sentences should be sufficient for most articles). All items on the Scavenger Hunt Chart must be accompanied by a graphical representation of those main points. All axes must be correctly labeled. Furthermore, the graph should be complete including the effects along the y and x axes. Even if someone else found a given application, each student must correctly redraw the graph (no photo copies of the graphs will be accepted). In addition to giving a brief statement of the article’s main points, the student should circle the part of the article that corresponds to the Scavenger Hunt item found.

Starting January 16th, most class sessions (with the major exception of test days) will begin with students having an opportunity to present an article to the class. Students who want to present on a given day should arrive at class early and write their name, the name of the article, the author’s name, and the date on the board followed by the key graph(s) depicting the main points of the article. If more than one student wants to present a given article, then the first one to prepare the board for their presentation will be the one allowed to do the presentation and the only one given credit for doing the presentation. Therefore, arrive early to get your graphs on the board. Also WRITE ON THE WHITE BOARD WITH DRY ERASE MARKERS. DO NOT USE OTHER MARKERS. A maximum of 4 students will be allowed to present articles to the class each day. Once an article is presented, it cannot be presented again. Correctly drawn and presented articles (reported in column 1 of the scavenger hunt chart) are worth 10 points each. The first student to find and present an article to the class will receive credit for the column 1 application for the appropriate row. No other student will receive credit for column 1 for the same row. Each student can present a maximum of 3 articles. Applications in column 1 can be presented immediately after the corresponding material is presented in class and should be turned into the professor immediately after it is presented. The student should also present his scavenger hunt chart to the professor when he presents an article to the class, thus, allowing the professor to initial the appropriate column 1 cell for the student.

Correct articles in column 2 of the attached scavenger hunt chart are worth 6 points each and correct articles in column 3 are worth 3 points each. Only one application will count per row. Thus a student will receive 10, 6, or 3 points for a row that they correctly complete – they will not receive 19, 16, 13 or 9 points. A specific article cannot be used for more than one row of the Scavenger Hunt Chart. There is a maximum of 100 for the entire scavenger hunt

The number of articles used in either the second or third column (but not both) is only limited by the number of rows. Articles used for columns 2 or 3 must be turned in at the very beginning of class on May 1st along with the brief statement of each article’s main point and graphs. Articles turned in on May 1st should be placed in the order given on the Scavenger Hunt Chart. The Scavenger Hunt Chart should be placed on the top of the project with the appropriate cells checked off (there is a 15 point penalty for out of order articles and if the correct cells are not checked off, then each article will get only 3 points). Incorrect applications will not count towards the student’s grade; however, partial credit may be given for partially correct applications. The grade on projects turned in after the beginning of class on May 1st will be reduced by 10 points for every day (or part of a day) they are late (Saturday and Sunday together count as one day). No projects will be accepted after 9am sharp on May 6th. If all 22 items are presented and a student just correctly copies what other students present, then they can earn a 66.

Attendance:

It is essential that students come to every class because most of the material in the class will build on previous lectures. If a lecture is missed, then the student may be lost for the rest of the semester. I will not automatically withdraw students. Thus if a student stops attending and does not withdraw themselves, they will probably receive an F.

Absences on Exam Days:

All students are expected to take their tests on the days scheduled for the tests. If a student knows that they can not take a test on the scheduled day, then they need to produce proof (which the professor deems sufficient) as early as possible and arrange to take the test **before** the scheduled test date. If a student does not take the test by the scheduled test day then (at the professor’s discretion) one of the following will be implemented: (1) the student will receive a zero for the test, (2) the student will have to take a make-up test that is harder than the original test, (3) the student will have to do a major project to replace the grade on the test. For possibilities 2 and 3, the student will have to provide proof that (1) the missing of the test was unavoidable and (2) the taking of the test early was not possible. This proof must satisfy the professor (for illnesses, a copy of a doctor’s bill **and** excuse will be required).

Class Room Courtesy:

In order to meet the goals of the course outlined above, students are encouraged to ask questions, think critically about what they are being taught, and express their own analysis of issues related to the course material. Students are expected to listen to and consider the views expressed by other students. However, there is a certain amount of material which must be covered in this course. Therefore, the professor has the right and obligation to encourage discussions when appropriate, to postpone discussions until later in the course when later course material would shed significant light on the discussion, and/or to end discussions when appropriate. Students should not interrupt each other. Students should shut off all beepers and cell phones before entering class. The professor will consider granting exceptions to this rule if a student can provide an adequate justification in advance. In general, students are asked to refrain from any activity which interferes with the goals of this course. Cheating will not be tolerated and will be prosecuted to the fullest extent of the rules and regulations of Augusta State University.

Recording Lectures:

Some students benefit from tape recording my lectures. By tape recording the lectures, these students can concentrate more on understanding what I am saying and on copying graphs correctly. However, students also learn by writing out the notes. Therefore, I encourage the recording of my lectures under the one condition that students keep the recordings a maximum of one week.

Text:

*Principles of Economics* by Libby Rittenberg and Timothy Tregarthen can be read on the internet for only $ 19.95 at <http://students.flatworldknowledge.com/course?cid>=1205097 &bid=30773 (however, you have the option to read on the internet, and on an e-reader, and print out chapters for $ 34.95 or purchase a black and white hard version of the book for $ 44.95). Reading the textbook prior to class is important in order to become familiar with the concepts that will be presented in over an hour of lecture which builds on itself. Lectures will restructure and go beyond what is given in the text. Using internet explorer may produce problems with viewing the graphs in this text. Firefox will work better for the graphs.

In addition to the on-line text book, each student must have a subscription to the Wall Street Journal. If you sign up for the Wall Street Journal through <http://www.wsj.com/studentoffer> then you will get a discount of 75% off of the newsstand price. Specifically you can order 15 weeks of the Journal for $ 29.95 or a whole year of the Journal for $ 99.95. Please be sure to put my name as the referring professor (Jonathan Leightner).

Tentative Schedule

Subject Pre‑class Readings Date

I. Introduction …………………………………………………………………… 1/9

II. Supply & Demand ……………........................... .Ch 3 & 4 ............................. 1/14-1/16

Holiday ………………………………………………………………….. 1/21

II. Product Market Models

A. Building Blocks for Market Models ................. Ch. 8 .................................. 1/23-1/28

B. Pure Competition Model ................................... Ch. 9 .................................. 1/30-2/4

C. Monopoly Model ................................................ Ch 10 …… ....................... 2/6-2/11

Visiting Executive ………………………………………………………… 2/13

Study Session (Without the Professor) …………………………………… 2/18

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* Test 1 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* 2/20

III. Other Microeconomic Issues

1. Elasticity …………………………………….. Ch 5 ……………………… 2/25
2. Producer and Consumer Surplus ……………. Ch 6……………………… 2/27
3. Monopolistic Competition ………………….. Ch. 11……………………. 3/4
4. Input Markets ................................................... Ch. 12 & 14 ...................... 3/6-3/11

IV. Macroeconomic Goals and Measurements …. Ch 20 & 21 …………………. 3/13

V. The Three Diagram Macroeconomic Model

A. AS/AD Model................................................... Ch 22 ..................................... 3/18

B. Money ………………….................................. Ch 24 & 25 (section 2).......... . 3/20

C. Three Diagram Model....................................... Ch 26 &27 .................. ........... 3/25

VI. Keynesian Model & Multipliers......................... Ch 28 ………………................ 3/27

VII. Foreign Exchange Model ................................. Ch. 30 ..................................... 4/1-4/3

Spring Break ……………………………………………………………….. 4/8-4/13

VIII. Crises ……………………………………………………………………….. 4/15-4/17

IX. Production Possibilities Model ..............................Ch. 2…………. .................. 4/22-4/24

X. International Trade Models ................................. Ch 17 …................................. 4/29-5/1

Article projects due (7 pm sharp) ……………………….….……….…..……… 5/1

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* Final Exam \*\*\*\*\*(6pm-8pm) \*\*\*\*\*\*\*\*\* 5/6

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scavenger Hunt Chart

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 1 | 2 | 3 |
|  | Item Sought | First to find and present this article | A new article found by me, but not presented | An article found by someone else. |
| 1 | Price Ceiling or Floor |  |  |  |
| 2 | Demand Shifting |  |  |  |
| 3 | Supply Shifting |  |  |  |
| 4 | Output Model: Shift of Production |  |  |  |
| 5 | Output Model: Shift of Cost Curves |  |  |  |
| 6 | Pure Competition |  |  |  |
| 7 | Non-Price Discriminating Monopoly |  |  |  |
| 8 | Price Discriminating Monopoly |  |  |  |
| 9 | Input Model: Pure Competition |  |  |  |
| 10 | Input Model: Monopsony |  |  |  |
| 11 | PPF or TPF |  |  |  |
| 12 | Three Diagram: Shift in AS/AD |  |  |  |
| 13 | Three Diagram: Shift in Money Mkt |  |  |  |
| 14 | Three Diagram: Shift in I\* |  |  |  |
| 15 | International Money: Flexible e, shift in S(m) |  |  |  |
| 16 | International Money: Flexible e, shift in D(x) |  |  |  |
| 17 | International Money: Flexible e, shift in D(total) only |  |  |  |
| 18 | International Money: Fixed e, shift in S(m) |  |  |  |
| 19 | International Money: Fixed e, shift in D(x) |  |  |  |
| 20 | International Money: Fixed e, shift in D(total) only |  |  |  |
| 21 | International Money: Fixed e, appreciation or depreciation. |  |  |  |
| 22 | Stacked Keynesian with Shift |  |  |  |
|  |  |  |  |  |
| Σ |  |  |  |  |