

ECONOMICS 1: INTRODUCTION TO ECONOMICS (CN: 21177)

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

Course website: <https://eml.berkeley.edu/~olney/fall18/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

Econ 1 is an introductory course in economic principles. The course covers both microeconomics and macroeconomics. Topics include: economic modeling; allocation of resources; firm decision-making; imperfect competition; economic analysis of unemployment, inflation, and economic growth; the role of government in the domestic economy; international finance; and U.S. economic policies of the last quarter century. Primary emphasis is placed upon acquiring skills with which to analyze current economic issues. There are no prerequisites.

Professor's Office Hours

Professor Martha Olney (she, her), 691 Evans Hall, (510) 642-6083, Olney@berkeley.edu, twitter @MarthaOlney #econ1
Drop in: Tuesdays 4:00-5:15 and Wednesdays 11:30-12:30. Other times by appointment.

Head GSI's Office Hours: Vaishnavi Surendra (she, her), 548 Evans Hall, econ1.headgsi@berkeley.edu

Weeks of August 20, August 27, Sept. 3: ~20 hours in 548 Evans Hall, exact times TBA, check website & Piazza
Week 4 and beyond: TBA (check course website), 548 Evans Hall

Textbooks and Other Materials

Required: Martha Olney, *Microeconomics as a Second Language*, (Wiley, 2009) **and** Martha Olney, *Macroeconomics as a Second Language*, (Wiley, 2011). Royalties donated to Cal's Achievement Award Program (TAAP).

Required: Purchase of an iClicker. You may buy any version: iClicker, iClicker2, or iClicker+

Required: Economics 1 Class Reader, available from Copy Central, Telegraph Ave. (Or download. See course website.)

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

Optional: Frank & Bernanke, *Principles of Economics*, 5th edition (McGraw-Hill, 2013). (We won't reference this book.)

Staying in the Course and Adding the Course

You must initially attend the section to which you are assigned by CalCentral as of August 22. If you do not attend your assigned discussion sections by Tuesday, August 28 and do not contact your GSI or Head GSI Vaishnavi Surendra to explain your absence, you will be removed from the class. The department relies completely on CalCentral for enrollment purposes. See Econ 1 Head GSI Vaishnavi Surendra (548 Evans, econ1.headgsi@berkeley.edu), GSI Coordinator Katarina Jensen (548 Evans, HeadGSI@econ.berkeley.edu), or an Econ Undergrad Advisor (539 Evans, ugrad@econ.berkeley.edu) for help.

Letter of Introduction

For your second section meeting, please write a 1-page letter of introduction of yourself to your GSI. Submit a hard copy at section. Include your name*, its pronunciation, your pronouns, and anything about yourself that you would like to share. Please embed a photo of yourself; doing so will help your GSI learn your name. The paper will not be graded nor returned. (*Include the name we will see on the roster and, if different, your preferred name. Remember you can set your preferred name in CalCentral too: <http://registrar.berkeley.edu/academic-records/your-name-records-rosters>)

Honor Code

We at UC Berkeley have adopted this Honor Code: "As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others." Your Econ 1 instructors join you in pledging to adhere to this code.

Tutoring

Economics Department grad students offer free tutoring. <https://www.econ.berkeley.edu/undergrad/home/tutoring>. Twitter @CalEconTutoring. A list of tutors-for-hire (about \$50/hour) is also available at the Econ Dept Tutoring Center website. Also the Student Learning Center (SLC) offers Study Group and Drop-in Tutoring for Economics 1. These services are free for registered Cal students. Additional information is available at <http://slc.berkeley.edu/econ>.

Contacting You and Us

Prof. Olney and the GSIs use email to contact you. Be sure your email address registered with the University's [CalNet directory](#) is correct, your spam filters are not set too tight, and that your inbox is not full. Emails sent to the entire class by Prof. Olney and Head GSI Vaishnavi Surendra are archived at the bCourses "pages" tab: <http://bcourses.berkeley.edu>.

Email sent to Prof. Olney or Head GSI Vaishnavi Surendra must have "Econ 1" plus a descriptor as the subject. For instance: "[Econ 1] announcement for digest" or "[econ 1] enrollment question." Emails must use appropriate grammar and spelling (no txtng) and must be signed with both first & last names. Emails not meeting these minimums are immediately deleted.

Limits to Confidentiality

As UC employees, all course instructors and tutors are "Responsible Employees" and are required to report incidents of sexual violence, sexual harassment, or other conduct prohibited by university policy to the Title IX officer. We cannot keep reports of sexual harassment or sexual violence confidential, but the Title IX officer will consider requests for confidentiality. There are confidential resources available to you, including the CARE Advocate Office (<http://sa.berkeley.edu/dean/confidential-care-advocate>), which serves survivors of sexual violence and sexual harassment.

Piazza

We use Piazza in lieu of emails for Q&A. Rather than emailing questions to Prof. Olney, the Head GSI, or your own GSI, post your questions on Piazza. Everyone – the instructors and students – then has the opportunity to answer your question. Answers can be edited, wiki fashion. The instructors can give a 'thumbs up' to good student answers. Others with the same question can see the conversation and chime in. At the end of the term, students whose questions or answers received the largest number of "good" votes from classmates and instructors will receive a few extra credit points. If you didn't receive a Piazza welcome email, sign up at <http://piazza.com/berkeley/fall2018/econ1>. If you are asked for a code in order to enable sign up, request the code from the Head GSI Vaishnavi Surendra at econ1.headgsi@berkeley.edu.

Announcements Policy

No announcements are made in lecture. All announcements are sent by Prof. Olney or the Head GSI via email and then posted on bCourses "pages" tab. Some announcements may contain links to additional readings from current news sources. These readings are to be considered *required* assigned readings for the course; links will be added to the "files" tab of our bCourses page. If you would like to make a written announcement to all Econ 1 students, send it to Prof. Olney for inclusion in her weekly email. Be sure you include a student name and contact info in the announcement. Prof. Olney reserves the right to delete announcements that are not relevant to Econ 1.

Laptop and Cell Phone Policies

No laptops are allowed in lecture unless pre-approved by the Head GSI or the Professor. DSP note-takers should contact the Head GSI before the first day of class. iPads and other tablets (laid flat and being used for note-taking) are ok but not encouraged. Cell phones should be turned off and put away in your backpack or bag, not left out on your desk or lap. You may use the calculator function on your smart phone in lecture or lab section during group work.

Responsibilities — Mine and Yours — and Course Requirements

My (Prof. Olney) responsibilities are to come to class prepared, respond to and encourage questions and other 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, bring your iClicker to lecture, 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 on time, and take all exams.

Your course grade will be based on your performance on a comprehensive essay & final, two midterm exams, completion of four problem sets and two bCourses quizzes, use of iClicker, and participation in section. You must submit the essay due December 4 and take the final on Dec. 11 in order to pass this course. Exams cover material from lecture, section, and 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.

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. Cheating on a midterm, the comprehensive essay, or the final exam results in an “F” for the course. Cheating includes but is not limited to bringing unauthorized written or electronic materials into an exam, using unauthorized written or electronic materials during an exam, copying off another person's exam or assignment, allowing someone to copy off of your exam or assignment, having someone take an exam or assignment for you, changing an exam answer after an exam is graded, and plagiarizing written or other materials. Incidences of cheating are reported to Center for Student Conduct, which administers additional punishment. See also <http://sa.berkeley.edu/conduct/students/standards>.

You may use only one iClicker during lecture. You cannot click in for a friend. Anyone observed using two iClickers will have both iClickers taken away and held by Prof. Olney or Head GSI Vaishnavi Surendra until both owners come to retrieve them. All points for both iClickers will be zeroed out for the term.

Due Dates and Share of Total Points

Assignment	Date	Percent of Grade
Section Participation	Throughout term	10 %
Four Problem Sets & iClicker	As Noted Below	8 %
Two bCourses quizzes	As Noted Below	2 %
Midterm #1	Thurs., Sept. 27, 8:00-9:30 p.m.	20 %
Midterm #2	Tues., Nov. 6, 8:00-9:30 p.m.	20 %
Comprehensive Final Essay	Tuesday, December 4, 8:00 a.m.	12 %
Final Exam	Tuesday, December 11, 11:30 a.m.	28 %

iClickers

In each lecture there will be questions to answer with your iClicker. If you answer more than half of that day's questions, you earn ½ point. It doesn't matter whether your answer is “correct.” iClicker points are used to make up for missed points on problem sets. For example, if you earn 33 points on problem sets, you can use 7 of your iClicker points to bring that up to the maximum of 40 points. The maximum number of points you can use from iClicker participation is 10 points. For more information about clickers, see the “iClicker FAQ” on the course website.

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Problem Sets

There will be 4 problem sets, each of which is worth 10 points, distributed in lecture and posted on the course website that you are to complete and submit to your GSI. Problem set answers must be submitted on the provided answer sheet; problem set essays are submitted via bCourses. Problem sets are due at the beginning of section. Problem sets lose 5 points if they are submitted after the start of section. No problem sets accepted more than 24 hours after section begins.

- Problem Set #1 Due first section, week of September 10
- Problem Set #2 Due first section, week of October 15
- Problem Set #3 Due second section, week of October 29
- Problem Set #4 Due first section, week of November 26

You may study with other students, *but your problem set answers must be in your own words*. You may not prepare “group answers” nor post your answer to Piazza. Essays must be your own work. If you copy someone else's answer or essay, or if you prepare or post group answers, that is cheating. If your problem set is the same as someone else's problem set, in whole or in part, you both receive a zero (0) regardless of who did the work and who copied. Problem set solutions will be posted on the course website. Read the solutions carefully; they are far more extensive than your own work.

Lab (Discussion Section)

Section is not a mini-lecture; it is a hub of active learning. Why active learning? Because every bit of research shows that we learn best when we engage in active, not passive, learning. Sections are where you work with the concepts. Think of section as a lab, akin to a chem or physics lab. You will work in small groups, with work to be completed in lab each day.

10% of your course grade (50 points) will depend upon your participation in section. You are required to do four things.

[1] In each lecture, an exercise ("the Blue & Gold Exercises") is distributed. You are to complete the B&G exercise and take it to the section following lecture where your GSI will check to be sure it has been completed. No late B&G exercises accepted. (Max of 22 points will be counted although 26 are possible; points based on attempt not on accuracy.)

[2] Each section, you will discuss that day's reader article(s) and do small-group work on problems ("the section exercises"). You may occasionally have in-section quizzes. Your GSI will provide more information in section. Absences result in 0 points for that day. (1 point per day; max of 22 points will be counted although 26 are possible.)

[3] After each midterm, you'll complete a "post-exam reflection" – a series of questions inviting you to reflect on how you prepared for the exam and whether you want to make adjustments to your preparation. You'll submit the reflection on bCourses within 7 days of the exam. No late submission allowed. (3 points per reflection; points based on completion.)

Exams

Midterm #1 will be held Thursday, September 27, 8:00 - 9:30 pm in rooms TBA. Midterm #1 will cover the material presented in lecture and the assigned readings through Monday, September 24, and section through Wednesday/Thursday September 26-27. Midterm #2 will be held Tuesday, November 6, 8:00 - 9:30 pm in rooms TBA. Midterm #2 will cover the material presented in lecture and the assigned readings through Wednesday, October 31, and section through Monday/Tuesday November 5-6. The comprehensive essay question will be distributed by Monday, November 26 and will be due via bCourses by 8:00 a.m. on Tuesday, December 4. The comprehensive final examination will be held on Tuesday December 11, 11:30 - 2:30 p.m. and will cover all material presented in lecture, section, and the assigned readings.

Student-athletes and musicians are expected to be familiar with the policy on academic conflicts:

<http://academic-senate.berkeley.edu/sites/default/files/guide-acad-sched-conflicts-final-2014.pdf>. Written notification of scheduled or potential conflicts must be given to the Head GSI by Friday, August 31.

Grading of Exams

Sample exams are on the course website. All exams are short answer, problems, and essay questions. Exam booklets are provided. No calculators, laptops, phones, or other electronic devices allowed during exams.

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 put it into words"). Moreover, answers that are illegible, rambling, or poorly organized will not receive high marks.

Your work will be graded by your graduate student instructor. Care is taken to ensure that the same quality of work will, at the end of the term, receive the same letter grade, regardless of who graded the work. There is no pre-set or common scale whereby a certain number of points corresponds to a certain letter grade. Different GSIs may have different A, B, C point cut-offs, but the same quality of work will receive the same letter grade for the course, regardless of who graded the work.

There is no fixed curve for this course dictating what share of students will receive what letter grade. *A priori*, it is theoretically possible for everyone to earn an A ... or a C. That said, grade distributions are reasonably stable over time (as the Law of Large Numbers suggests). In the past, about 25-30 percent of the class have received an A of some sort, about 35-45 percent have received a B of some sort, and the remainder have received 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 write the comprehensive essay and take the final in order to pass the course.

Make-up Exam Policy

There are no scheduled early exams. There are no scheduled make-up exams. Exams are held only at the times noted. If you experience an emergency that is clearly unforeseeable and unavoidable that prevents your attendance at a midterm exam, you **must** contact the Head GSI Vaishnavi Surendra by email (econ1.headgsi@berkeley.edu) before the midterm begins. Explain the situation and provide documentation. Professor Olney and the Head GSI will consider your case and determine whether or not to offer accommodations.

There is no make-up final. If you miss the final on Tuesday, December 11 with an acceptable excuse covering an unforeseeable and unavoidable event and you were otherwise passing the course, you will take the final with Prof. Moretti's Econ 1 students at the end of Spring 2019. ***If you can't take the final as scheduled, don't take this course!***

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 one midterm grade. This is a 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 outside and finish the exam in the allotted time. In this event, follow the instructions of the GSIs.

Special Accommodations

If you require disability-related accommodations for exams or lecture, if you have emergency medical information that you wish to share, or if you need special arrangements in case the building must be evacuated, please email or speak with Head GSI Vaishnavi Surendra **by September 7**. Do so by September 7 even if your DSP appointment is after September 7. At least 2 weeks before the exam, you must also obtain a Letter of Accommodation (LOA) from Disabled Students' Program (<http://dsp.berkeley.edu>, 260 César Chávez Center) which they send electronically to the Head GSI. DSP's Proctoring Service requires notice of participants at least two weeks in advance of an exam. Request for exam accommodation must be received and acknowledged by Head GSI Vaishnavi Surendra at least two weeks before an exam, which is DSP's own internal deadline for scheduling the proctoring of exams. Accommodations are not offered retroactively.

FAQ: In what order should I interact with the material?

Answer: Textbook Readings - Lecture - Problem Solving in Section - Reader Assignment - Review.

First exposure: the textbook readings as noted below. Make notes as you read. What is unclear and leaves you with questions? Where have you seen this concept illustrated in the real world? What real world phenomena or events might be understood with the concepts in the reading?

Second exposure: lecture. Take notes as you listen. Listen for answers to the questions you noted as you read the textbook. Ask questions as class time permits. The concepts should be firming up in your head after this second exposure.

Third exposure: problem solving in section. This is your chance to apply the concepts to new and different (often made-up) situations. Pay attention to the concepts themselves. Are you clear on the ideas? If not, ask your group members for their insight, ask your GSI as s/he circulates around the room, or post a question on Piazza. And pay attention to the process you are using as you apply the concepts. What steps do you take when you need to apply economic concepts to a new situation or problem?

Fourth exposure: reader assignment. Now you apply the concepts to a real world situation. How do the economic concepts help explain the real world situation in the article? Are there assumptions we invoked in the textbook/class that are not satisfied in the reader article? If so, what difference does that make?

Fifth exposure: review. Go back to the textbook readings. Have you cleared up any confusions? If not, get together with a study group, post a question on Piazza, or go to office hours. Can you think of other real world situations in which these concepts apply . . . or don't?

Course Outline and Reading Assignments

Reading assignments are below. “Micro” or “Macro” refers to the books by Olney. Read the entire chapter, unless pages are indicated. All “Reader” assignments are from the reader available at Copy Central. Reader contents are also listed on the course web site. Textbooks are also on 2-hour reserve at Moffitt Library.

Day & Lecture Topic	Textbook (read before class)	Related reader assignment (be ready to discuss on date shown)
Wednesday, August 22 Organization of Course; Overview; Intro to Economic Models; Production Possibilities Frontier	Micro or Macro (same preliminary chapters are in both), Chapter 1 and Chapter 2 (pp. 17-22)	#1, Why Economists Disagree (8/27-8/28)
Monday, August 27 Opportunity Cost; Economic Growth; Aid	Macro, Chapter 5	#2, Economic Impact of Transport Networks (8/29-8/30)
Wednesday, August 29 Comparative Advantage; Gains from Trade	Micro, Chapter 2 (pp. 23-end) <i>NOTE:</i> Errata sheet for book is on course website	#3, How Innovation Amplifies Benefits of Free Trade (9/5-9/6) #4, Economics Has Failed America (9/5-9/6)
Monday, September 3	Labor Day Holiday (no lecture, section, office hours)	
Tuesday, September 4	Sections cancelled to balance Monday holiday	
Tuesday, September 4 at 11:59 p.m.	bCourses quiz covering Chapter 3 due at 11:59 p.m.	
Wednesday, September 5 Economic Systems; Model of Supply and Demand	Micro or Macro, Chapter 3	#5, How Trump’s Tariffs are Taking Jobs (9/10-9/11)
Monday, September 10 P.S. 1 due Mon/Tues Supply and Demand, continued; Price Mechanism		#6a, In Praise of Price Gouging (9/12-9/13) #6b, Dear Harvard Prof... (9/12-9/13)
Wednesday, September 12 Price Ceilings & Floors; Consumer Surplus; Burden of a Tax	Micro, Chapter 4	#7, Ross Ad (video) (9/17-9/18)
Monday, September 17 Elasticity; Profit-Maximization Decisions	Olney YouTube Video: https://youtu.be/cLKtj1a-N-o	#8, How Chicken Wings Explain Metro’s Looming Ridership Problems (9/19-9/20)
Wednesday, September 19 Marginal Cost and Marginal Revenue	Micro, Chapter 6	
Monday, September 24 Supply Curve; Profit = 0 in the Long Run (This material is covered on midterm #1)	Olney YouTube Video: https://youtu.be/CYoEKIHZUrI	#9, Under Pressure from Uber, Taxi Medallion Prices are Plummeting (9/24-9/25)
Wednesday, September 26 Monopoly; Monopolistic Competition (This material is covered on midterm #2)	Micro, Chapter 7 (pp. 92-101)	#10, What’s Wrong with Airbnb? (10/1-10/2)
Thursday, Sept 27, 8-9:30 p.m. MIDTERM #1	Watch email, Piazza, & course website for room locations	

Day & Lecture Topic	Textbook (read before class)	Related reader assignment (be ready to discuss on date shown)
Monday, October 1 Externalities	Micro, Chapter 8 Olney YouTube Video: https://youtu.be/Y-FtHUL10Aw	#11a, Is it Time to Ban Computers from Classrooms? (10/3-10/4) #11b, Just Presence of Phone or Laptop Can Push Down Grades (10/3-10/4)
Wednesday, October 3 Externalities, continued; Asymmetric Information		#12, Information Asymmetry: Secrets and Agents (10/8-10/9)
Monday, October 8 Income Distribution	Micro, Chapter 9 (pp. 118-128)	#13a, Striking it Richer (10/8-10/9) #13b, Economic Growth in the U.S. (10/8-10/9)
Wednesday, October 10 Overview of Macroeconomics	Macro, Preface Macro, Chapter 1 (pp. 5-6)	#14, What Will Cause the Next Recession? (10/15-10/16)
Monday, October 15 P.S. 2 due Mon/Tues Measurement of Total Output (GDP)	Macro, Chapter 4 Macro, Chapter 6 (pp. 89-97, and 104-105)	#15, Five Ways GDP Gets it Totally Wrong (10/17-10/18)
Wednesday, October 17 Unemployment and Inflation	Macro, Chapter 7 (pp. 106-113)	#16, Workers Hardest Hit by Recession Joining in Recovery (10/22-10/23)
Monday, October 22 Aggregate Expenditures; Equilibrium Output	Macro, Chapter 6 (pp. 97-105) and Macro, Chapter 7 (pp. 113-127)	#17, Wealth Inequality and the mpc (10/24-10/25) #18, More Services Means Longer Recoveries (10/24-10/25)
Tuesday, October 23 at 11:59 p.m.	bCourses quiz covering Chapter 8 due at 11:59 p.m.	
Wednesday, October 24 Multipliers	Macro, Chapter 8 (pp. 134-143, 148-end)	#19, Loss of Steel Jobs Lingers in Fairfield (10/29-10/30)
Monday, October 29 Investment Spending	Macro, Chapter 7 (pp. 127-131)	
Wednesday, October 31 P.S. 3 due Wed/Thurs Open Economy Macroeconomics (This material is covered on midterm #2)	Macro, Chapter 7 (pp. 131-end); Chapter 16 (pp. 293-end)	#20, Yen Strengthens on Growing Risk Aversion (10/31-11/1)
Monday, November 5 Policy Overview; Fiscal Policy (This material is covered on the final)	Macro, Chapter 9 & 10	#21, How Powerful are Fiscal Multipliers in Recession? (11/14-11/15)
Tuesday, Nov. 6, 8-9:30 p.m. MIDTERM #2	Watch email, Piazza, & course website for room locations	

Day & Lecture Topic	Textbook (read before class)	Related reader assignment (be ready to discuss on date shown)
Wednesday, November 7 Overview of Federal Reserve; Banks, Reserves, and Money Creation	Macro, Chapter 11 (pp. 183-194)	
Monday, November 12	Veterans' Day Holiday (no lecture, sections, office hours)	
Tuesday, November 13	Sections cancelled to balance Monday holiday	
Wednesday, November 14 Interest Rates & Financial Institutions	Macro, Chapter 13	#22, Federal Funds and Interest on Reserves, plus FAQs (11/19-11/20)
Monday, November 19 Phillips Curve	Macro, Chapter 15 (pp. 268-276)	#23, Fed Holds Interest Rates Steady (11/26-11/27)
Wednesday, November 21	Thanksgiving Break (no lecture, section, office hours)	
Thursday, November 22	Thanksgiving Break (no lecture, section, office hours)	
Monday, November 26 P.S. 4 due Mon/Tues Monetary Policy	Macro, Chapter 15	#24, Federal Reserve Press Release: FOMC July 31-August 1, 2018 Meeting (11/28-11/29)
Wednesday, November 28 Policy, continued; Concluding Remarks		
Mon., Dec. 3 & Wed., Dec. 5, 10:10 - 11 a.m.	Olney's reviews (optional, per UCB rules; but highly recommended)	
Tuesday, December 4, 8:00 a.m.	Comprehensive Essay Due (submit on bCourses)	
Tuesday, December 11 11:30 a.m. - 2:30 p.m.	Final Exam (Location TBA)	