

ECONOMICS 1 INTRODUCTION TO ECONOMICS

This course surveys the principles of economics. It provides an introduction to both microeconomics, the study of firms and consumers, and macroeconomics, the study of inflation and unemployment. Special emphasis is placed on using economic analysis to understand contemporary economic problems and policies.

LECTURE TIMES: Mondays and Wednesdays, 3:10 – 4:00 p.m., Wheeler Auditorium.

PROFESSOR'S OFFICE HOURS (Drop in): Mondays & Wednesdays, 4:15-5:30 pm
673 Evans Hall, 643-8554 (voice mail 643-7090), cbrown@econ.berkeley.edu

HEAD TA: Kitt Carpenter, 508-2 Evans Hall, 642-4629, kitt@econ.berkeley.edu. Office Hours: Mondays 1-2, by appointment.

ADDING THE COURSE: See the department's Website for info. For enrollment information, go to <http://emlab.Berkeley.EDU/econ/enrinfo.htm>.

DISCUSSION SECTION: Section meets two hours per week. TA's will announce their office hours in section. **You MUST attend both sections the first week or you will be dropped from the course.** If you cannot make one of your sections the first week, you must contact your TA or Kitt Carpenter before the section you will miss, else you will be dropped. TAs will be in teams of two, and your work will be graded by your TA's team.

REQUIRED TEXT: William Baumol and Alan Blinder, *Economics: Principles and Policy*, 8th Edition, The Dryden Press (Harcourt), 1999.

LETTER OF INTRODUCTION: For your second section meeting, please write a one-page letter of introduction of yourself to your teaching assistant. Include your name and anything about yourself that you would like to share. This may be typed or handwritten. It will not be graded nor returned.

COURSE REQUIREMENTS AND BASIS FOR GRADES

You are expected to attend lecture and section meetings. You are responsible for reading the assigned text. It is recommended that you skim the assigned readings BEFORE that day's lecture and review the reading AFTER the lecture. This course covers the material very quickly, at the rate of one chapter per lecture. Since the material is cumulative, it is imperative that you keep up with the reading.

You are expected to attend and participate in your discussion section. Your GSI will go over material from the lectures, add some new material, and answer your questions. Your active participation in section will enhance your understanding of the course material and will be useful on problem sets and exams.

Your course grade will be based on your performance on a three-hour comprehensive final, two midterm exams, and five problem sets (only four of which will be graded). For exams, you are responsible for the material covered in lecture, in section, and in the assigned readings. There are 300 total points possible in this course. The weights that will be used to compute your total point score (from which a letter grade will be determined) are:

Assignment	Percent of Grade	Point Value
Four Problem Sets	7 %	20
Midterm #1	25 %	75
Midterm #2	25 %	75
Final Exam	43 %	130

FINAL EXAM

The final exam is Thursday, December 14, 5-8 pm. **If you cannot make the final, DROP the course NOW.** There will be no make-up final. Any emergency excuse for not taking the final exam must be approved by the Chair of the Economics Department. The final examination will be comprehensive and will cover all material presented in lecture, in section, and in the assigned readings.

TWO MIDTERM EXAMS

The first midterm exam will be held Wednesday, October 11, 3:10 - 4:00 p.m. in Wheeler Auditorium. The first exam will cover the material presented in Lecture, section, and the assigned readings through Monday, October 9.

The second midterm exam will be held Monday, November 20, 3:10 -4:00 p.m. in Wheeler Auditorium. The second exam will cover the material presented in lecture, section, and the assigned readings since the first midterm through Friday, November 17.

There are no scheduled make-up exams. Students who miss a midterm and who have an excuse meeting University standards will have their other exams and problem sets weighted proportionately more. Excuses must be approved by the Head TA, Kitt Carpenter, within 48 hours of the scheduled exam.

PROBLEM SETS

There will be five problem sets, and four problem sets are required (student's choice). There will be no excuses for problems sets not turned in. Any problem set not turned in will receive a zero (0). Problem sets will be worth 5 points each and will be graded on a Check Plus (5 pts)/ Check (3 pts)/ Zero (0 pts) scale.

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 due at the second section of the week indicated below. Problem sets are not available on the course website. Your TA is not responsible for problem sets that are not turned in during section. Problem sets placed into a TA's box may be stolen, and stolen problem sets receive a zero (0).

Problem Set #1 Due SECOND section, week of Sep 11.

Problem Set #2 Due FIRST section, week of Oct 2.

Problem Set #3 Due FIRST section, week of Oct 30.

Problem Set #4 Due FIRST section, week of Nov 13.

Problem Set #5 Due SECOND section, week of Dec 4.

GRADING

All exams consist of short answer, problems, and essay questions. Exam answers are graded solely upon their content (what you actually write) and not upon their intent (what you "mean to say"). Answers that are illegible, rambling, poorly organized, or address a question other than the one asked will not receive high marks. Completing all assignments will be necessary but not sufficient to earn a high grade. Your problem sets and exams will be graded by your teaching assistant team. 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 about 50 percent 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.

GRADE DISPUTE POLICY

There will be one uniform grade dispute policy for this course. Grade disputes will not be allowed on problem sets, and it is university policy that final grades cannot be changed for reasons other than clerical error (i.e. there will be no final exam grade disputes). If you wish to dispute your midterm grade, you must submit *in writing* the questions you think have been misgraded and why you think they have been misgraded. Grade disputes must be handed to your TA no later than one week after the midterms have been handed back in section. Submitting a grade dispute does *not* mean that your grade will be changed.

ACADEMIC HONESTY POLICY

Cheating will not be tolerated. Any form of cheating whatsoever will result in a score of zero (0) on that assignment or examination. Cheating on the final exam results in an "F" grade for the course. Cheating includes but is not limited to bringing notes or written materials into an exam, using notes or written materials during an exam, copying off another person's assignment or exam, allowing someone to copy off of your assignment or exam, and having someone take an exam or do an assignment for you. Instances of cheating are reported to the Office of Student Conduct, which may administer additional punishment. Please note that the University does not allow students to drop a class after an instance of cheating has been recorded.

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 outside and finish the exam in the allotted time.

SPECIAL ACCOMMODATIONS

If you require special accommodations for exams due to learning or other disability, you must speak with Head TA Kitt Carpenter no later than Wednesday, September 20. If you plan to be evaluated by the Disabled Students Program in the fall semester, you must still let Kitt know so we can plan accommodations. This is a FIRM deadline. If you have not done so already, you will need to obtain the evaluation form from Disabled Students' Program (230 Caesar Chavez Center).

STUDENT LEARNING CENTER (<http://slc.berkeley.edu/SLCF96/busad/busad.html>)

We encourage you to take advantage of the services offered by the Student Learning Center, located in the Caesar Chavez Center. The Student Learning Center offers study groups, individual tutoring, problem-solving workshops, and an adjunct course (Economics 98). For specific information, check the Student Learning Center's website at the address listed above.

COURSE OUTLINE AND READING ASSIGNMENTS

Reading assignments are below. All "B&B, Ch" assignments are from Baumol and Blinder, *Economics*, 8th edition. You should read the entire chapter unless pages are indicated. You should OMIT the appendix unless it says "including appendix". **In lecture, the graphs and charts used from the book will be marked with the page on which they appear, so that you do not have to copy the figures during lecture.**

CLASS	TOPIC AND ASSIGNED READING
Mon, Aug 28	Organization of Course; Overview of the US Economy B&B, Ch 3 (B&B, Ch 2 will be covered in section.)
Wed, Aug 30	Scarcity, Opportunity Cost, and Efficiency B&B, Ch 4
Mon, Sep 4	Labor Day Holiday
Wed, Sep 6	Supply and Demand B&B, Ch 5

Problem Set 1 due **SECOND** section this week (of September 11).

Mon, Sep 11	Individual and Market Demand B&B, Ch 6
Wed, Sep 13	Elasticity of Demand B&B, Ch 7
Mon, Sep 18	Production Function B&B, Ch 8
Wed, Sep 20	Profit Maximizing; Marginal Cost and Marginal Revenue B&B, Ch 9
Mon, Sep 25	Production in Perfect Competition B&B, Ch 10
Wed, Sep 27	Production in Monopoly Market B&B, Ch 12

Problem Set 2 due **FIRST** section this week (of October 2).

Mon, Oct 2	Evaluating the Market System B&B, Ch 14 (Appendix to chapter 17 on present value will be presented in section.)
Wed, Oct 4	Factor Pricing B&B, Ch 17
Mon, Oct 9	No class. (Catch up day!)
Wed, Oct 11	Midterm 1 in Wheeler Auditorium 3:10-4pm. Arrive early!
Mon, Oct 16	Overview of US Macroeconomic Performance B&B, Ch 23

Wed, Oct 18 Goals of Macroeconomic Policy
B&B, Ch 24
(Appendix to Ch 24 will be covered in section.)

Mon, Oct 23 GDP and Consumption
B&B, Ch 25
(Appendix to Ch 25 will be covered in section.)

Wed, Oct 25 Aggregate Demand and Equilibrium
B&B, Ch 26

Problem Set 3 due FIRST section this week (of October 30)

Mon, Oct 30 Multiplier Analysis
B&B, Ch 27

Wed, Nov 1 Aggregate Supply and Equilibrium
B&B, Ch 28

Mon, Nov 6 Fiscal Policy
B&B, Ch 29
(B&B, Ch 30, Banks and Money Creation, pp 632-638, will be covered in section.)

Wed, Nov 8 Monetary Policy
B&B, Chs 31, 32

Problem Set 4 due FIRST section this week (of November 13).

Mon, Nov 13 Evaluating Budget Deficits
B&B, Ch 33

Wed, Nov 15 No class. Catch up day.

Mon, Nov 20 Midterm 2 in Wheeler Auditorium. Arrive early!

Wed, Nov 22 No class. Enjoy your Thanksgiving Holiday!

Mon, Nov 27 Comparative Advantage and International Trade
B&B, Ch 35

Wed, Nov 29 International Monetary System
B&B, Ch 36

Problem Set 5 due SECOND section this week (of December 4).

Mon, Dec 4 Trade and the Macroeconomy
B&B, Ch 37

Wed, Dec 6 No class. Catch up day.

Thursday, December 14, 5:00 - 8:00 p.m. FINAL EXAMINATION (Good luck!)