

University of North Carolina  
Department of Economics  
ECON 101-003: Introduction to Economics  
Summer Session I 2014  
MoTuWeThFr 11:30AM – 1:00PM, Gardner 308

Instructor: Sofoklis Goulas

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Office Hours: Monday and Thursday 1.15-2.15pm and by appointment

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**Course Objectives:**

This course is designed to be a very rigorous introduction you to the economic way of thinking. You are expected to work hard, actively participate, ask questions whenever you are uncertain and perform to the best of your ability. The goal of the course is to provide you with the analytical tools and intuition necessary to analyze important topics in the economics framework. The science underlying the study of economics considers how economic agents (consumers, firms and society as a whole) make decisions and how to allocate scarce resources. By the end up of the course you should be comfortable discussing how actions of these agents, actions by the government, or external events affect the incentives facing members of the economy and how they might respond. The first part of the class will be devoted to microeconomics and the second part will build upon this as we discuss macroeconomics.

**Required Material:**

- **Principles of Economics**, 7<sup>th</sup> edition by N. Gregory Mankiw

- There is an e-book version which you are welcome use. Also, the 5<sup>th</sup> or 6<sup>th</sup> edition are near-perfect substitutes and you can search for them or used copies of the 7<sup>th</sup> edition in order to find the best deal.

-Basic Calculator:

- You should bring this to each class, including exam days. We will be doing in-class exercises during which you may find it useful to have a calculator on hand. It should only have very basic functionality (standard four functions).

I encourage you to seek out other resources such as The Wall Street Journal, Financial Times or The Economist on a regular basis. This will help you to understand how the economic concepts we discuss in class are pertinent to everyday life. Also, one goal throughout the semester should be to enhance your understanding of these publications and be able to discuss aspects of the U.S and world current economic events.

- Students have free access to certain publications at <http://eresources.lib.unc.edu/eid/>:

- The Wall Street Journal (WSJ)

Under “By Title” click on “P”, scroll down to “ProQuest Newspapers” and click on the link. You will need to enter your onyen and password if accessing from off-campus locations. In the ProQuest database, select “Publications” and click the link for “Wall Street Journal; Eastern edition” to access the complete text.

- The Economist

Under “By Title” click on “E”, scroll down to “Economist.com.” Again, you will need to enter your onyen and password if accessing from off-campus locations.

### **Course Requirements:**

Evaluation for this course will be based upon:

- - Homework (6 @ 5% each = 30%)
- - Article Discussions (2 @ 5% each = 10%)
- - Class Participation (debates, in-class exercises, etc.) (10%)
- - Midterm exam (20%)
- - Final exam (30%)

The rough grading scale will be as follows: 90% and above for an A, 80% and above for a B, 70% and above for a C, 60% and above for a D, etc. While these cutoffs can and may be moved downwards, relying on a curve is a very, very risky strategy

### Homework:

I will post 6 homework assignments throughout the semester and will specify the due dates according to how much material we cover during the class meetings. These will consist of multiple exercises to help you learn to apply the concepts learned in class. All homework assignments must be completed and turned in on time at the beginning of the class meeting in which they are due. Homework submitted after the first 20 minutes of the class period in which it is due will be considered one day late. I will assess a 15 percentage point penalty for each day that the assignment is late (ie. If you turn it in one day late, the maximum possible grade will be 85%. Two days late – 70%, etc.). You will find the homework assignments to be good study guides for the exams. I encourage working together on these assignments.

### Class Participation:

I will schedule 1-2 debates throughout the semester and I expect everyone to actively participate. Also on the days that the article discussions are due, I will ask a few students to

explain how they analyzed the article. Lastly, I will frequently ask questions in class and encourage you to at least try and answer them to the best of your ability. I don't care if you get the right answers but please try to show thought in your answers. I expect everyone who attends class regularly to get the full 10%.

#### Writing Assignments:

You will be required to complete 2 writing assignments throughout the course. I will assign either specific articles or concept questions about which you must apply the concepts introduced in class. The due dates and the content of each assignment will be provided during class.

#### Exam Format:

The exams will cover the material presented in class, readings scheduled outside of class, homework assignments and suggested problems from the textbook. The exam format will be provided in the class prior to a given exam. You should bring a pencil, a scantron and a basic calculator with you to each exam.

#### Missed Exams:

There will be no make-up midterm exam. You are forewarned well in advance to properly schedule your time and make proper arrangements for other potential conflicts. If you must miss the midterm exam, for example due to illness, you may be allowed to transfer the missed credit to the final exam – therefore the final exam will count for 50% of your grade. You must present your explanation for any absences in writing to me in advance if the reason for the absence could be foreseen, or as soon as possible thereafter if the reason for the absence could not be foreseen. It is up to my discretion whether or not to accept your absence note.

There will be no make-up for the final exam unless you present official "Exam Excuse" from the Dean's office.

#### Academic Integrity:

All students are expected to adhere to the Honor Code (<http://honor.unc.edu> for more information). Any violation will result in a failing grade for the course and other sanctions may apply.

#### Attendance:

Regular attendance is strongly recommended, but not required. You are responsible for any announcements and assignments that you may have missed.

**\*\*Disclaimer:** Although I intend to follow this syllabus as closely as possible, there may be times when deviations from the material presented herein are necessary.

Date	Day	Major Topics Covered	Assigned Reading	Questions to Explore	Assignment Due
05/13	Tuesday	Economics Basics	Ch. 2	What do we study in Economics?	
05/14	Wednesday	Gains from Trade	Ch. 3	How can NAFTA make us richer if people in Mexico now produce the stuff we buy?	
05/15	Thursday	Supply & Demand-Perfect Competition	Ch. 4	Why are travel prices higher during the summer/holidays/school breaks?	
05/16	Friday	Elasticity	Ch. 5	Is the increasing amount spent on drug enforcement an effective method to lower the crime rate?	
05/19	Monday	Welfare Economics Government Policies - Price Ceilings and Floors	Ch. 7/6	Why do we have rent controlled apartment buildings in NYC?	HW 1
05/20	Tuesday	Government Policies - Taxes	Ch. 6/8	Who should be taxed, the consumer or the producer?	
05/21	Wednesday	Costs of Production	Ch. 13	Why are we not concerned when a company loses money in the short run?	
05/22	Thursday	Competitive Markets – Profit Maximization	Ch. 14	How do competitive firms make decisions? How does product differentiation affect firms' decisions?	HW 2
05/23	Friday	Monopolistic Competition-Monopolies	Ch. 15/16	Why is the government concerned about “anti-competitive” behavior?	
05/27	Tuesday	Externalities and Public Goods	Ch. 10/11	Why is pollution a problem even though everyone knows it is harmful?	Writing Assignment 1
05/28	Wednesday	Frontiers of Microeconomics	Ch. 22	Why should the manager's salary depend on the firm's performance?	HW 3
05/29	Thursday	Midterm Review			
05/30	Friday	MIDTERM			

06/02	Monday	Introduction to Macro- Measuring a Nation's Income-Cost of Living	Ch. 23/24	What is GDP and how do we measure it?  How do we compare prices over time?	
06/03	Tuesday	Production and Growth	Ch. 25	Why is the U.S. so rich and other countries so poor?	
06/04	Wednesday	Unemployment	Ch. 28	What are the benefits/detriments of labor unions?	HW 4
06/05	Thursday	Monetary System, Money Growth and Inflation	Ch. 29/30	Why do green slips of paper have value?	
06/06	Friday	Open-Economy Macroeconomics	Ch. 31	Is it cheaper to buy a Big Mac in the US or in Germany?	Writing Assignment 2
06/09	Monday	Aggregate Demand and Aggregate Supply	Ch. 33	How can the price level actually fall?	HW 5
06/10	Tuesday	The Influence of Monetary and Fiscal Policy	Ch. 34	How can we fix problems in the economy?	
06/11	Wednesday	Saving, Investment and the Financial System	Ch. 26/27	Why does it matter if the government is in debt?	
06/12	Thursday	Trade-off between Inflation and Unemployment  -or-  Six Debates Over Macroeconomic Policy	Ch. 35  Ch. 36	Why are prices high when unemployment is low?  What do we still disagree about?	HW 6
06/13	Friday	Final Review			
06/16	Monday	FINAL EXAM			