

## ECONOMICS 101h-002: HONORS INTRODUCTORY ECONOMICS

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Recitation Section: Tuesday 6-7 p.m. Dey Hall 0412  
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### **Materials for Purchase:**

- Required Text:** William J. Baumol and Alan S. Blinder, *Economics: Principles and Policy* (13th Edition, 2016).  
Note: I have ordered two versions of the textbook: (1) the first version is the textbook alone; (2) the second version includes the online course *Aplia* and also includes an E-book of the text. Some students find the web-based instruction useful and some don't. The choice is yours. If you decide that you need *Aplia* later, you can still buy it, but it will be more expensive.
- Required Text:** Paul Krugman, *The Conscience of a Liberal*. WW Norton & Co. 2009 (paperback)
- Required Text:** Charles Murray, *Coming Apart: The State of White America, 1960-2010*. Crown Forum, 2012. (paperback)
- Required Subscription:** *The Wall Street Journal* (Special Subscription available for the class. Subscription card at Student Stores)
- Required Course-Pak:** Problem Sets to be purchased at Student Stores
- Optional Book:** Burton G. Malkiel, *A Random Walk Down Wall Street*, (11th ed., New York: W.W. Norton, 2016).  
The best single introduction to the stock market of which I am aware.

### **Administrative Information for Students:**

- a) **Internet Browser:** You will be required to download material from the course web site. The official browser for the course is Microsoft's *Internet Explorer*. I believe that *Firefox*, *Chrome*, (and perhaps other browsers) will work as well. Apple users can use Safari, but be aware that Safari does not automatically refresh the course web page. You must do it manually
- (b) **Your E-mail address:** You *must* have a functioning official UNC email address to which I can send messages. Your UNC e-mail address must be the address that accompanies the official UNC on-line class roll. You will be responsible for all course email sent to the address on your official course roll.

This course is an introduction to the study of economics. It has a number of goals: (1) to impart a basic understanding of how a market economy works; (2) to introduce students to the "economic way of thinking" about economic and social problems; (3) to prepare a student to take further courses in economics. It covers a wide range of topics, including (1) the determinants of economic activity, (2) inflation, (3) unemployment, (4) operation of the price system, (4) monopoly and other forms of imperfect competition, (5) the impact of international trade, and (6) the determinants of the distribution of income and wealth.

This course has two lectures per week and a single recitation section per week. Occasional **lecture supplements** may be posted on the course web site. You are responsible for incorporating them into your notes before the next lecture. A weekly review & problem solving session may be arranged with undergraduate TAs.

**Problem Sets** are for your use in solidifying your grasp of the material. They will not be graded. The course outline below shows at about what time you should begin working on each problem set. I will periodically post answer keys on the web.

Two in-class midterm exams will be given during regular lecture hours in this course. Each is required and each will count for 25% of your final grade. *There will be no make-ups for hour exams*. Should you be forced to miss *one* hour exam *with a valid excuse* you will be allowed to use the final exam raw score in place of the missing hour exam. Missing a second hour exam will result in a grade of zero for that exam. The comprehensive final exam will count for 35% of your course grade. 15% of your course grade will be based on your participation in class, recitation sections, and performance on other graded activities.

The reading assignments are given below. You are *strongly encouraged* to do the reading before the lecture at which the corresponding topic will be covered. All appendices to chapters should be read unless specifically excluded. Reading assignments average about 50 pages per week; *don't get behind!* Lectures and readings, while generally not identical, will be complementary; understanding them both will greatly enhance your probability of success in this course. Part of your job is to integrate the lectures with your reading. ... **Outline on following page ...**

**COURSE OUTLINE and SCHEDULE OF READINGS (Approximate)**

Dates	Text Assignments	Topic
Aug 23, 25	Ch. 1, 2	Introduction to Economics; Supply and Demand: The Basics
Aug 30, Sep 1	Ch. 3, 4, (9*)	The Problems of Economics; Supply and Demand: Applications (*Stock Market Discussion in Sections) <b>(Problem Set #1)</b>
Sep 6, 8, 13	Ch. 5 (+appendix), 6	Consumer Choice, Market Demand, Elasticity, & Demand Measurement <b>(Problem Set #2)</b>
Sep 15, 20	Ch. 7, 8	The Business Firm, Profits, & Opportunity Cost. Input Decisions and Production Costs <b>(Problem Set #3)</b>
Sep 22, 27, 29 Oct 4	Ch. 10, 14, 18*, 19* & 20	The Firm and the Industry under Perfect Competition ; The Price System and the Case for Laissez Faire (with some caveats); The Distribution of Income and Wealth [ <i>*Chapters 18 &amp; 19 are optional</i> ] <b>(Problem Set #4)</b>
<b>Oct 6</b>		<b>HOURLY EXAMINATION #1</b>
Oct 11, 13	Ch. 35, 29*	International trade and Comparative Advantage; Money & the Banking System [ <i>*TAs lecture on this topic in section; don't get behind in the reading!</i> ] <b>(Problem Set #5: Questions 1-5)</b>
Oct 13, 18	Ch. 22, 23	Introduction to Macroeconomics; Unemployment & Inflation <b>(Problem Set #5: Questions 6-10)</b>
<b>Oct 20</b>		<b>FALL BREAK</b>
Oct 25, 27	Ch 25, 26 (Read App. A*);	Consumer Spending & Demand; Demand-Side Equilibrium; Multiplier Analysis [ <i>TAs lecture on this</i> ];
<b>Nov 1</b>		<b>Class presentations on Krugman/Murray (Completed in Recitation Section)</b>
Nov 3	Ch. 26, 27	Demand-Side Equilibrium; Multiplier Analysis / Supply Side equilibrium <b>(Problem Set #6: Parts A &amp; B)</b>
Nov 8, 10	Ch 28, 30, 31	Supply-Side Equilibrium: Fiscal Policy; Monetary Policy and the Great Recession <b>(Problem Set #6: Parts C &amp; D)</b>
Nov 15	Ch 33	The Budget Crisis and the National Debt
<b>Nov 17</b>		<b>HOURLY EXAMINATION #2</b>
Nov 22, 29 Dec 1	Ch 11, 12	Monopoly, Monopolistic Competition, Oligopoly; <b>(Problem Set #7)</b>
Nov 24		<b>THANKSGIVING BREAK</b>
Dec 1, 6	Ch. 15, 16, 21	Critique of the Market Mechanism; Course Conclusion

☞ Final Examination: Thursday, December 15th @ 12:00 noon