1 Overview

Schedule: Mondays - Fridays\(^1\), 10:30 - 11:50
Location: Baker Hall 255A
E-mail: cpala@andrew.cmu.edu
Office Hours: Every class day, 11:50 - 12:20, Room A18A in Porter Hall

**PLEASE READ THE SYLLABUS** (I will assume that you have read it).

By enrolling in the course, you accept the terms and conditions explained in this syllabus.

2 Learning Objectives

By the end of the course, you should be able to:

- Assess the effects of trade on the welfare of countries and individuals;
- Perform supply and demand analysis to analyze the impact of various economic events on markets;
- Evaluate the factors affecting firm behavior such as production and costs;
- Analyze the performance of firms under different market structures;
- Recognize market failures and ways to deal with them;
- Calculate national income, evaluate the factors that affect productivity and assess advantages and disadvantages of collective bargaining.

3 Final Grade

The final grade breakdown is given by:

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Percentage of total grade</th>
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<tbody>
<tr>
<td>Attendance</td>
<td>10%</td>
</tr>
<tr>
<td>Problem Sets</td>
<td>15%</td>
</tr>
<tr>
<td>Midterm 1 (May 31st)</td>
<td>15%</td>
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<tr>
<td>Midterm 2 (June 17th)</td>
<td>20%</td>
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<tr>
<td>Final (June 28th)</td>
<td>40%</td>
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</table>

The grading scale is as follows:

\(^1\)Extended schedule is given at the end of the syllabus.
Grade interval | Letter grade
---|---
Grade $\geq 90$ | A
$80 \leq \text{Grade} < 90$ | B
$70 \leq \text{Grade} < 80$ | C
$60 \leq \text{Grade} < 70$ | D
\( \text{Grade} < 60 \) | R

[I reserve the right to curve the final grades upward.]

4 Course Materials

The course materials are textbook and lecture notes. Textbook:

- The main textbook is *Principles of Economics, 6th edition by Gregory Mankiw*.
- Although you are not required to purchase the book I recommend you to do so because some homework questions will be from the book.
- Lectures will not necessarily follow the book and hence, the textbook is not a substitute for lectures or homeworks.

Lecture Notes:

- Classes will usually use handouts, which will be available on Blackboard.
- Handouts are not complete lecture notes and they are alone not substitutes for attending lectures.
- It is your responsibility to print out these handouts BEFORE the lectures.

5 Assessments

The assessments are problem sets, attendance grade, two midterm and a final exam. It is your responsibility to check your grades from Blackboard. To request re-grades for any assessment, you have 3 days (from the date that assessments are returned). Re-grades must be submitted in writing with the assessments. When reviewing a re-grade request, the entire assessment will be reviewed and your grade might be lowered.

5.1 Problem Sets (15% of final grade)

- There will be 7 problem sets which will be posted on the Blackboard.
- All problem sets are worth the same.
- We will drop the lowest problem set grade so, you can choose not to hand in one problem set. However, you will still be responsible to learn what is covered in the homework that you do not turn in.
- It is allowed to discuss the problem set questions with classmates but each student must turn in his/her own work.
- Problem sets will be due the beginning of the class (the schedule of each problem set is given at the end of the syllabus).

- Problem sets that are handed after the end of the class will not be graded.

- Only hand-written copies are accepted; typed solutions or electronic copies are not acceptable.

- Always write your name on problem sets and staple them. Otherwise, homeworks or some pages of them can easily get lost.

- Always keep a copy of your homework to yourself before submitting it.

5.2 Attendance (10% of final grade)

- Attendance grade is based on daily class attendance.

- To attain daily attendance grade, you need to come on time and stay in class until the end.

- To receive full credit from attendance, you may miss 3 lectures. You do not need to provide any excuse or proof when you miss these 3 lectures but your attendance grade will start to fall if you miss more than 3 lectures even if you have a legitimate excuse. Therefore, I strongly recommend you to use these free passes wisely.

- An example how to calculate your participation grade: If there are 21 lectures in the semester, you are responsible for attending \(21 - 3 = 18\) of them. If you missed 6 lectures in total, your participation grade will be \(\frac{18 - (6 - 3)}{18} = 8.3\).

5.3 Exams (75% of final grade)

- There will be two midterms and a final exam.

- All exams will be closed-book and will cover the material that we have covered in class up to that point.

- If you miss one of the exams, ask your academic advisor to contact Dr. Carol Goldburg, Director of Undergraduate Economics Program. If your absence is justified by her, the scores of the exams you have taken will be used. If your absence is not justified by her, your grade will be 0 from the exam you have missed.

- In the final exam, there will be a bonus question that is worth 5 points. This bonus will be available ONLY to the students who take the final exam on the scheduled time.

6 Tips for Success

- Treat all elements of the course as complementary. Reading the book helps you understand the lectures, doing the homeworks helps you understand the material better and get ready for the exams and so on. So, focusing on only one element of the course, for example, only reading the book, is not a recipe for success.

- Aim to attend every lecture.

- During lectures be alert and pay attention.
- Take detailed class notes.
- Review your class notes daily.
- If you miss a lecture, ask a classmate for lecture notes.
- If a problem arises, let me know ASAP.

7 Classroom Etiquette

- Chatting, texting and talking on the phone are not allowed during lectures.
- You can use laptops only for class-related tasks such as taking notes.
- Cell phones should be switched off or set on "silent" and ringtones are not allowed.
- To record or tape any classroom activity, any student must get permission from me before taping/recording any part of the class.
- Any approved taping/recording can be used only for the permitted student’s private academic purposes and cannot be used for any non-academic purposes and cannot be shared with any third party.

8 Special Arrangements Policy

If you need a learning accommodation please let me know at the beginning of the semester so that I can work out necessary arrangements on the assessments. Documents for learning accommodations should be submitted to Dr. Carol Goldburg and me at the beginning of the semester.

9 Communication Policy

- When contacting me or Dr. Carol Goldburg please make use of proper e-mail etiquette. Begin e-mails with correct salutations (e.g. Dear Professor,...) and sign off with your full name.
- I will aim to respond to e-mails sent from Monday to Thursday within 24 hours. E-mails sent on Friday will be responded on the following Monday.

10 Academic Integrity Policy

You are bounded by the University’s academic integrity rules. If you use sources besides textbook and lecture notes, cite them. The following acts are university offense and will be punished seriously i.e., by an automatic failure of the course or serious reduction of grade depending on my discretion:

- Cheating in the exams;
- Copying problem sets of your classmates;
- Using the materials from the previous years.

See the CMU Student Handbook (http://www.studentaffairs.cmu.edu/theword/) for university policy regarding academic integrity.
11 Course Outline

Topics that will be covered each week are listed below with chapter references of the textbook in brackets [I reserve the right to change the topics that will be covered].

- Week 1: Principles of Economics and Gains from Trade [Chapters 1, 2 and 3 in textbook]
  We will begin our lectures by introducing main principles of Economics. We will then explain why people and countries gain from engaging in trade.

- Week 2: Supply and Demand and Applications [Chapter 4 in textbook]
  We will discuss supply and demand framework and analyze real world events by using supply and demand.

- Week 3: Efficiency, Elasticity and Government Policies [Chapters 7, 5, 6 and 8 in textbook]
  We will discuss how one can measure efficiency of markets. Then, we will cover elasticity and use it to explain real world economic events. After that, we analyze the effects of various government policies on different parties in the economy by connecting it to elasticity and efficiency.

- Week 4: Trade and Market Failures [Chapters 9, 10 and 11 in textbook]
  First, we analyze the effects of trade on a country’s welfare. Then, we explain how and why markets fail to provide desirable outcomes and how one can deal with market failures.

- Week 5: Costs of Production and Competitive Markets [Chapters 13 and 14 in textbook]
  We shift our focus to firms and analyze firms’ cost and production structures. We then analyze how firms perform under different market structures such as competition and monopoly.

- Week 6: Monopoly and Macroeconomics [Chapters 15 and 23 - 26 in textbook]
  We make an overview of important macroeconomic concepts such as national income, productivity and collective bargaining.
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<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
<th>Problem Sets</th>
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<td>23 - 26</td>
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