

The University of Akron
Department of Economics
3250:100-001 Introduction to Economics (12101) (3 credits)

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Always when you email me at myers@uakron.edu please include E100 Spring 2018 in the subject of your email.)

Meeting times: 10:45 AM – 12:00 PM Tuesday and Thursday

Meeting Location: CBA 130

Date of first meeting: January 16, 2018

Date of last Class meeting: May 3, 2018

Final Examination meeting: Tuesday May 8, 2018 12:15 PM to 2:15 PM

Course Information

Description

May not be substituted for 200, 201, or 244. Cannot be used to satisfy major or minor requirements in economics.

This is a course in Basic Economics. The goal is for you to read and think about economic issues and problems and apply an economic way of thinking to their resolution. Course topics will cover those of both microeconomics and macroeconomics. It differs from other principles of economics courses in that our approach is logical and not mathematical.

Prerequisites

There are no formal prerequisites for this course. Students should not be in this course if they have taken Economics at a 200 or higher level.

Course Overview

This course will meet twice a week and attendance is required. Students are expected to be active participants in discussions on the basic economic principles presented. Students are expected to read the text completely, it is long but there are no graphs, no mathematics and none but the most common economic jargon is presented.

Course Learning Objectives

Each student will achieve a broad familiarity with five course objectives. By the end of this course, students should be able to:

- Explain major laws, theories, and concepts in economics.
 - These concepts are expressed in the outline of the course below.

- Find and evaluate economic resources
 - In this class you will be required to locate information resources, gage their reliability and use them in one or more assignments or in preparing your discussion responses and writing assignments. Information resources will include, but are not limited to economic data as published in credible sources.
- Compare and contrast the balance between efficiency and equity
 - You will learn that Economics provides a clear ethical framework by which we can evaluate policies and all decisions, specifically, by weighing the costs and benefits, both monetary and nonmonetary. In this class you will be confronted with how markets work and the outcomes that occur from different market structures.
- Solve economic problems
 - Your success on each of the exams will be related to your ability to demonstrate your ability to solve complex problems as shown in class, in your text and other resources.
- Write like an economist
 - Writing is a major part of this class. You will be required to address economic issues and problems. Learning to write logically and without unnecessary opinion will be critical. As economics is about learning and solving analytical problems, a complete analysis often requires the balancing of conflicting conclusions, such as the gauging of which policy may be preferred and why. Sometimes, this requires a balance between allocative efficiency and distributional equity. Furthermore, learning to communicate results in lay terms is essential.

Texts

I hate the cost of text books and in this course we win that battle by requiring an excellent trade publication and three free online sources.

1. (required) Sowell, Thomas. *Basic Economics: A Common Sense Guide to the Economy*, 5th Edition, 2015, Basic Books.
 - a. You may purchase this book in hardcover in the University Bookstore and that may be the most convenient for you (and they do price match online prices) or
 - b. You may also purchase this in a variety of formats at <http://amzn.to/2j9W9z9> which at the time of this writing includes an e-text, hardcover, Audible, and audio versions. I would strongly suggest that the audio versions be bought in addition to the physical copies. I would also suggest that you might want to add an eText book to your Kindle or other reader, but be sure you have a reader that allows you to mark up and take notes in your text.
 - c. I have the hardcover and kindle versions and find I use both in different ways. I am considering an audio version just to supplement my “reading” this term.
 - d. This book includes no mathematical equations, no graphs and no excess economic jargon. It is very readable, and it and a highlighter may become your best friends this term.

2. (required) Henry Hazlitt. Economics in One Lesson, 1946.
 - a. You can download for free, a modern type-face printing (2007 edition) from the Mises Institute at https://mises.org/sites/default/files/Economics%20in%20One%20Lesson_2.pdf [Click on the pdf link for the free version] or
 - b. You may download the original (1952 printing) from the Foundations for Economic Education at <http://fee.org/resources/detail/economics-in-one-lesson-2>
3. (free and online) Sowell, Thomas. Economic Facts and Fallacies, Basic Books, 2008.
 - a. We will be reading only chapter 1 for some definitions. That chapter is free as of this writing at books.google.com at Chapter 1: The Power of Falacies as of this writing is free at https://books.google.com/books?id=c0meNxet5XYC&pg=PA1&source=gbs_toc_r&cad=3#v=onepage&q&f=false
 - b. While you may buy the book online for fairly cheap (see <http://amzn.to/2j9Md8K> where it is \$10.67 as of this writing,
4. (recommended) This course may naturally encourage you to want to study more economics using the tools of basic mathematics, graphics and a healthy dose of jargon. If so you may find helpful a free online Principles of Economics textbook that we use in some of our Principles of Economics courses.
 - a. Recommended for the Advanced Inquirer and not used in this course directly:
 - i. Greenlaw and Taylor. Principles of Economics, OpenStax College. 19 March 2014. You may download a free .pdf at: <https://openstaxcollege.org/textbooks/principles-of-economics/get>

Additional Resources

Many resources are available for the student seeking alternative explanations or further research into a topic. While we cannot list all here are a few sites that will be of some help. The first three are aggregators, that is, they have a lot of resources to recommend, the last is a very helpful encyclopedia.

- Economics Department website <http://www.uakron.edu/economics/research/>
- American Economic Association's Research for Economists <http://rfe.org>
- Economics Research Guide maintained by Bierce Library <http://libguides.uakron.edu/cat.php?cid=63440>
- The Concise Encyclopedia of Economics <http://www.econlib.org/library/CEECategory.html>

Office Hours

Tuesday 3:00 pm – 4:00 pm

Wednesday 1:30 pm - 4:00 pm

Thursday 3:00 pm – 4:00 pm

I intend to also be in my office on many Monday afternoons as well. Meetings get scheduled from time to time during my hours so please send an email ahead of your visit if you can to

verify my presence. You may also email for an appointment as well. I can meet with at any time outside of those hours if you cannot make them.

Contacting me

The best way and only reliable way to contact me is to send email. If you call my office do not leave a voice mail, contact me by email. Use your zips.UAkron.edu email when contacting me and always put **E100 Spring 2018** in the subject of the email. You may put something additional in the subject, but you must include **E100 Spring 2018** to assure you the best chance that it is noticed. I will get back to you by email as quickly as I can, but certainly within 48 hours (over weekends may be longer).

Evaluation and Assessment

Grading Scale

A	93-100%
A-	90-92%
B+	87-89%
B	83-86%
B-	80-82%
C+	77-79%
C	73-76%
C-	70-72%
D+	67-69%
D	63-66%
D-	60-62%
F	BELOW 60%

Grades will be a weighted average where all items that are not exams will be collectively weighted as 50 points (e.g., all homework) and the exams will be weighted by the points shown with each exam below.

Assessments

Readings and watchings: There is an extensive amount of readings and videos in Brightspace that the student will be responsible for. Direct assessments will be in the form of homework or direct exam questions.

Homework – when assigned these will be graded on a common rubric and will factor into your final grades. See Brightspace for the rubric.

Attendance – will be assessed, poor attendance will be penalized.

Examinations – I plan for there to be five exams distributed the following way, each at the end of each three week (6 class session) period. I have indicated minutes as a proxy for the comprehensiveness of the assessment instrument. Minutes and points are illustrative, but are

subject to change as the course develops. These exams will not all necessarily be identical in structure. The type of exam will be explained in class before the end of each three week period.

- Week 3, Thursday February 1 – 30 minute exam – 50 points
- Week 6, Thursday February 22 – 60 minute exam – 100 points
- Week 9, Thursday March 15 – 30 minute exam – 50 points
- Week 12, Thursday April 12 – 60 minute exam – 100 points
- Week 16, Tuesday May 8, 12:15 pm – 2:15 pm. Final Exam – 120 minute exam – 150 points

Student expectations

Students must do the assigned readings on time and be prepared to participate in the classroom discussions and do well on the exams and other assignments.

Attendance is required and will be taken by means of a sign-up sheet passed around each class period.

Students are expected to seek help for understanding by first helping themselves by doing the readings and watching the videos and then bringing their questions to the class and professor.

Course Calendar and Assignments

The assignments of topics and dates will be displayed in Brightspace. Here are the chapters in the books that we will be using. We will not be covering all of the chapters in Sowell. Chapters to be covered will be revealed as the course progresses.

Henry Hazlitt. Economics in One Lesson, 1946

Part One: The Lesson

1. Chapter 1: The Lesson

Part Two: The Lesson Applied

2. Chapter 2: The Broken Window
3. Read and review one chapter from Chapters 3 through 14

Sowell, Thomas. Basic Economics: A Common Sense Guide to the Economy, 5th Edition, 2015, Basic Books.

Chapters greyed out are not covered in this course. Chapters from part 7 are for enrichment reading and may in part be covered in the lecture discussions. Students should peruse them and take note of when topics are relevant for class work.

BASIC ECONOMICS

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|---|--|
| <ol style="list-style-type: none">1. Chapter 1: What is Economics? (January 16)<ol style="list-style-type: none">1.1. Scarcity1.2. Productivity1.3. The Role of Economics | <ol style="list-style-type: none">2. Chapter 2: The Role of Prices (January 18-25)<ol style="list-style-type: none">2.1. Economic Decision Making2.2. Prices and Costs<ol style="list-style-type: none">2.2.1. Resource Allocation by Prices2.2.2. Incremental Substitution2.2.3. Economic systems2.3. Supply and Demand |
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Part I: Prices and Markets

- 2.3.1. Demand Versus “Need”
 - 2.3.2. “Real” Value
 - 2.3.3. Competition
 - 2.3.4. Prices and Supplies
 - 2.4. “Unmet Needs”
3. Chapter 3: Price Controls
- 3.1. Price “Ceilings” and “Shortages” (January 30-Feb 6)
 - 3.1.1. Demand under Rent Control
 - 3.1.2. Supply under Rent Control
 - 3.1.3. The Politics of Rent Control
 - 3.1.4. Scarcity versus Shortage
 - 3.1.5. Hoarding
 - 3.1.6. Black Markets
 - 3.1.7. Quality Deterioration
 - 3.2. Price “Floors” and Surpluses
 - 3.3. The Politics of Price Controls
4. Chapter 4: An Overview of Prices (Feb 8 – Feb 15)
- 4.1. Cause and effect
 - 4.1.1. Systemic Causation
 - 4.1.2. Complexity and Causation
 - 4.1.3. Individual Rationality versus Systemic Rationality
 - 4.2. Incentives versus Goals
 - 4.3. Scarcity and Competition
 - 4.3.1. Economic Institutions
 - 4.3.2. Incremental Substitution
 - 4.3.3. Subsidies and Taxes
 - 4.3.4. The Meaning of Costs
- Part II: Industry and Commerce
5. Chapter 5: The Rise and Fall of Businesses (Feb 27)
- 5.1. Adjusting to Changes
 - 5.1.1. Social Changes
 - 5.1.2. Economic Changes
 - 5.1.3. Technological Changes
 - 5.1.4. Changes in Business Leadership
6. Chapter 6: The Role of Profits – and Losses (March 1)
- 6.1. Profits
 - 6.1.1. Profits as Incentives
 - 6.1.2. Profit Rates
 - 6.2. Costs of Production
 - 6.2.1. Economies of Scale
 - 6.2.2. Diseconomies of Scale
 - 6.2.3. Costs and Capacity
 - 6.2.4. “Passing On” Costs and Savings
 - 6.3. Specialization and Distribution
 - 6.3.1. Middlemen
 - 6.3.2. Socialist Economies
7. Chapter 7: The Economics of Big Businesses
- 7.1. Corporations
 - 7.1.1. Corporate Governance
 - 7.1.2. Executive Compensation
 - 7.2. Monopolies and Cartels
 - 7.2.1. Monopoly Prices vs. Competitive Prices
 - 7.2.2. Governmental and Market Responses
8. Chapter 8: Regulation and Anti-Trust Laws (Mar 20-22)
- 8.1. Regulatory Commissions
 - 8.2. Anti-trust Laws
 - 8.2.1. Competition versus Competitors
 - 8.2.2. “Control” of the Market
 - 8.2.3. “Predatory” Pricing
 - 8.2.4. “Benefits and Costs of Anti-Trust Laws
9. Chapter 9: Market and non-Market Economics (Mar 22-Apr 3)
- 9.1. Business Versus Non-Market Producers
 - 9.2. Winner and Losers
- Part III: Work and Pay
10. Chapter 10: Productivity and Pay (April 5-10)
- 10.1. Productivity
 - 10.2. Pay Differences
 - 10.2.1. Income “Distribution”
 - 10.2.2. Trends over time
 - 10.2.3. Differences in Skills
 - 10.2.4. Job Discrimination
 - 10.3. Capital, Labor and Efficiency
11. Chapter 11: Minimum Wage Laws (April 17-19)
- 11.1. Unemployment
 - 11.1.1. Informal Minimum Wages
 - 11.2. Differential Impact
12. Chapter 12: Special Problems in Labor Market (April 19)
- 12.1. Unemployment Statistics
 - 12.2. Working Conditions
 - 12.2.1. Safety Laws
 - 12.2.2. Child Labor Laws
 - 12.2.3. Hours of Work
 - 12.2.4. Third World Countries
 - 12.3. Collective Bargaining
 - 12.3.1. Employer Organizations
 - 12.3.2. Labor Unions
 - 12.4. Exploitation
 - 12.4.1. Job Security
 - 12.5. Occupational Licensing
- Part V: The National Economy
16. Chapter 16: National Output (April 24)
- 16.1. The Fallacy of Composition
 - 16.2. Output and Demand
 - 16.3. Measuring National Output
 - 16.3.1. The Changing Composition of Output
 - 16.3.2. International Comparisons
 - 16.3.3. Statistical Trends

- 17. Chapter 17: Money and the Banking System (April 26)
 - 17.1. The Role of Money
 - 17.1.1. Inflation
 - 17.1.2. Deflation
 - 17.2. The Banking System
 - 17.3. The Role of Banks
 - 17.3.1. Fractional Reserve Banking
 - 17.4. Banking Laws and Policies
 - 17.4.1. Requirements for a Banking System
 - 17.4.2. Government and Risk
 - 18. Chapter 18: Government Functions (May 1)
 - 18.1. Law and Order
 - 18.1.1. Corruption
 - 18.1.2. The Framework of Laws
 - 18.1.3. Property Rights
 - 18.1.4. Social Order
 - 18.2. External Costs and Benefits
 - 18.3. Incentives and Constraints
 - 19. Chapter 19: Government Finance (May 3)
 - 19.1. Government Revenues
 - 19.1.1. Tax Rates and Tax Revenue
 - 19.1.2. The Incidence of Taxation
 - 19.1.2.1. Local Taxation
 - 19.1.2.2. Government Bonds
 - 19.1.2.3. Charges for Goods and Services
 - 19.1.3. Government Expenditures
 - 19.1.3.1. Costs vs. Expenditures
 - 19.1.3.2. Benefits vs. Net Benefits
 - 19.1.4. Government Budgets
 - 20. Chapter 20: Special Problem in the National Economy
 - 20.1. The Scope of Government
 - 20.1.1. The Great Depression
 - 20.1.2. Monetary Policy
 - 20.2. Government Obligations
 - 20.3. Market Failure and Government Failure
- Part VII: Special Economic Issues
- 21. Chapter 24: Myths About Markets
 - 21.1. Prices
 - 21.1.1. The Role of Prices
 - 21.1.2. Different Prices for the “Same” Thing
 - 21.1.3. “Reasonable” or “Affordable” Prices
 - 21.2. Brand Names
 - 21.3. Non-Profit Agencies
 - 22. Chapter 25: “Non-Economic” Values
 - 22.1. Saving Lives
 - 22.2. Markets and Values
 - 22.2.1. Markets and Greed
 - 22.2.2. Markets and Morality
 - 23. Chapter 26: The History of Economics
 - 23.1. The Mercantilists
 - 23.2. Classical Economics
 - 23.2.1. Adam Smith
 - 23.2.2. David Ricardo
 - 23.2.3. Say’s Law
 - 23.3. Modern Economics
 - 23.3.1. The “Marginalist” Revolution
 - 23.3.2. Equilibrium Theory
 - 23.3.3. Keynesian Economics
 - 23.3.4. Post-Keynesian Economics
 - 23.4. The Role of Economics
 - 23.4.1. Scientific Analysis
 - 23.4.2. Assumptions and Analysis
 - 23.4.3. Bias and Analysis
 - 23.4.4. Events and Ideals
 - 24. Chapter 27: Parting Thoughts