

Syllabus of ECO 1: Principles of Economics

Summer II 2018, Lehigh University

Lectures: Mon/Tue/Wed/Thur 2:00 pm – 3:35 pm, RBC 261

Instructor: Qichao Shi

Office: RBC 211

Office Hours: Tue/Thur 10:00 am – 11:00 am

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Course Description: ECO 1 is a one-semester four-credit course in the principles of economics. General topics covered include, but are not limited to: supply and demand; pricing and production decisions of firms; the role of government in the economy; the determination of national income; labor, capital and financial markets; comparative advantages and international trade; competition and efficiency, and basic macroeconomics concepts.

Learning Objectives: Upon completion of this course, students should be able to:

1. Define scarcity, opportunity cost, elasticity of demand and supply, inflation, unemployment, and gross domestic product.
2. Identify a production possibility frontier and use the frontier to demonstrate the potential for growth in an economy and to illustrate the concept of opportunity cost.
3. Illustrate the process by which supply and demand for a product converge to market equilibrium.
4. Analyze price ceilings, price floors and tax burdens using the supply and demand model.
5. Define stocks and bonds, present value and the efficient market view.
6. Demonstrate with graphs and verbal analysis the essential features of short-run and long-run production costs for firms.
7. Apply the concepts of marginal analysis and opportunity costs to consumer theory and to the profit-maximizing behavior of firms in both competitive and monopolistic markets, and compares competition to monopoly on efficiency grounds.
8. Define and explain the following terms: perfect competition; comparative advantage; price discrimination; oligopoly; consumer surplus; producer surplus; deadweight loss; the principle and agent problem; adverse selection and moral hazard.
9. Understand the basic macroeconomic concepts.
10. Understand the necessary conditions for an economy to experience a sustained, long-term growth.

Textbook:

Hubbard, R. & O'Brien, A. *Economics* (6th Edition). Pearson Prentice Hall.
ISBN-10: 0134123859

Course Outline:

Part 1: Introduction

July 2	Economics: Foundations and Models	Chap. 1 & Appendix
July 3	Trade-offs and the Market System	Chap. 2
July 5	Interaction of Demand and Supply	Chap. 3
July 6	Economic Efficiency, Price Setting and Taxes	Chap. 4

Part 2: Markets in Action

July 9	Externalities	Chap. 5
July 10	Elasticity	Chap. 6

Quiz 1 (Chapter 1- 6): July 10 (Tuesday) in Class, 3:05 – 3:35 pm in RBC 261

Part 4: Microeconomic Foundations

July 11	Consumer Choice	Chap. 10
July 12	Technology, Production and Costs	Chap. 11

Part 5: Market Structure and Firm Strategy

July 16	Perfectly Competitive Markets	Chap. 12
July 17	Monopolistic Competition	Chap. 13
July 18	Monopoly	Chap. 15
July 19	Oligopoly and Game Theory	Chap. 14

Midterm (Chapter 1- 15): July 23 (Monday) in Class, Starting at 2 pm in RBC 261

Part 6: Labor Market and Public Choice

July 24	Markets for Factors	Chap. 17
July 25	Public Choice	Chap. 18

Part 7: Macroeconomic Foundations and Long-Run Growth

July 26	GDP	Chap. 19
July 30	Unemployment, Inflation	Chap. 20
July 31	Economic Growth and Business Cycles	Chap. 21&22

Quiz 2 (Chapter 17- 22): July 31 (Tuesday) in Class, 3:05 – 3:35 pm in RBC 261

Part 8: Short-Run Fluctuations

August 1	Aggregate Expenditures	Chap. 23
August 2	Aggregate Demand and Supply	Chap. 24

Part 9: Monetary and Fiscal Policy

August 6	Fiscal Policy	Chap. 27
August 7	Money, Banks and the Federal Reserve	Chap. 25
August 8	Monetary Policy	Chap. 26
August 9	Review for the final exam	

Final Exam (Chapter 1- 27): August 11 (Saturday) 1:00 – 4:00 pm; Room: TBD.

Weekly Homework: Homework will be assigned on the course site every week. Completed homework must be submitted on paper at the beginning of each Monday class.

Grading System:

Homework (2% each, 5 in total) 10%
Quiz (5% each, 2 in total) 10%
Attendance and Participation 10%
Midterm Exam 30%
Final Exam 40% (Final Exam is cumulative)

Grades:

94-100=A	90-93=A-	87-89=B+	84-86=B
80-83=B-	77-79=C+	74-76=C	70-73=C-
67-69=D+	64-66=D	60-63=D-	<60=F

Diversity: Lehigh University endorses The Principles of Our Equitable Community (<http://www4.lehigh.edu/diversity/principles>). We expect each member of this class to acknowledge and practice these Principles. Respect for each other and for differing viewpoints is a vital component of the learning environment inside and outside the classroom.

Academic Integrity: Lehigh University expects that all students will act in a manner that reflects personal and intellectual honesty. Proscribed conduct includes cheating and plagiarism.

Cheating includes but is not limited to:

1. The use of any unauthorized assistance in taking quizzes, tests, or examinations. The possession at any quiz or examination of any articles that are prohibited will be regarded as evidence of responsibility.
2. The dependence upon the aid of sources beyond those authorized by the instructor in writing papers, preparing reports or homework, solving problems, or carrying out other assignments.
3. The acquisition, without permission, of tests or other academic material belonging to a member of the university faculty or staff.
4. Any attempt to falsify an assigned grade in an examination, quiz, report, program, grade book, or any other record or document.
5. The creation and/or submission of falsified data in any experiment, research paper, laboratory assignment, or other assignment.
6. Collusion occurs when students willfully give or receive unauthorized or unacknowledged assistance. Both parties to the collusion are considered responsible.

Plagiarism includes but is not limited to the direct use or paraphrase, of the work, themes or ideas, of another person without full and clear acknowledgement.

Accommodations for students with disabilities: If you have a disability for which you are or may be requesting accommodations, please contact both your instructor and the Office of Academic Support Services, University Center 212 (610-758-4152) as early as possible in the semester. You must have documentation from the Academic Support Services Office before accommodations can be granted.

Course Policies:

You are required to take the quizzes, submit homework, and participate in the class. ***There will be no makeup opportunities for missed homework, quizzes, midterm and final exams.*** The only exceptions are the ***official*** medical proof of illness and the ***official*** excused absence form from the Dean of Students Office or the Athletic Department on the day of absence. If an excused absence is obtained for a quiz or a homework then your final exam will count as both the final and the excused quiz or the homework.