

University of California, San Diego

Economics 10: Markets

(Preliminary. Subject to revision)

Spring 2001
MWF 1:25 PM -2:15 PM
Center Hall 119

Prof. Ross Starr
Office: Econ 325
Office hours TBA

Course Description:

Economics 10 is an introductory course in principles of economics aimed at non-Economics majors. It is intended to present the economics of how to understand current events and public issues with economic content. It's the economics of how to read a newspaper. It will touch on the issues of unemployment, inflation, economic growth, environmental protection, distribution of income, international trade, taxation, monopoly, price controls, competition, stock and bond markets, financial crises, financial market bubbles, and financial fraud.

Economics 10 is a nontechnical survey of economic reasoning, with emphasis on current events. The course uses only the simplest formal tools (simple equations and graphs). Several purposes are served by Economics 10—economic literacy for students who take no further economics, the first course of a two- or three-quarter economics sequence for students satisfying general-education requirements, and a starting point for students minoring or majoring in economics. Economics 10 is recommended for most students who intend a minor or major in economics.

TA:

TBA, Econ TBA, Hours TBA

TA is in charge of all administrative matters including enrollment, grades, add/drops, grading, exams, excused absences from exams etc. Check with TA if you have questions about these.

Course credit eligibility:

This is an introductory course in economics without prerequisites. Students who have already taken a year or more of economics at the college level, other than accounting, are viewed as having passed the level of Economics 10; hence they may not go back and take Economics 10 for credit. For further information on eligibility see the Economics undergraduate coordinator (Ms. Devaney Kerr, dakerr@ucsd.edu) or the undergraduate advisor (Dr. Marjorie Flavin, mflavin@ucsd.edu).

Text:

- Brux, Economic Issues & Policy (bookstore)
- Brux, Economic Issues & Policy, Study Guide (bookstore)
- Weblinks:
 - UCSD Economics Department EconLinks, <http://www.econ.ucsd.edu/links/>
 - Bureau of Labor Statistics, Economy at a Glance,
<http://stats.bls.gov/eag/eag.us.htm>

Bureau of Labor Statistics, Data Home Page, <http://stats.bls.gov/datahome.htm>
Board of Governors of the Federal Reserve System Home Page,
<http://www.federalreserve.gov/>
New York Times on the Web, Business Section,
<http://www.nytimes.com/yr/mo/day/business/>
Wall Street Journal on the web, <http://www.wsj.com/>
Jokes about economists and economics, <http://netec.wustl.edu/JokEc.html>

Grades and Exams:

Course grades will be based on written assignments (10%), two midterms (15%, 30% respectively) and a final exam (45%). Each exam will cover all of the material in the course, lectures and assigned readings, up to the date of the exam. No makeup exams or incompletes will be arranged. The midterms may be excused (and the course grade based on remaining examinations) on presentation of valid documentation of a medical or legal conflict.

Academic Honesty:

Academic honesty is expected. Dishonesty in an examination will result in a failing grade on the examination.

Disabilities:

Students with **disabilities** (certified by the Office of Services for Students with Disabilities) requiring accommodation, please notify TA of the required accommodation at the start of the quarter or as soon as possible after identification of the disability.

Classroom etiquette:

- Please arrive on time and stay till the end of a class meeting, to avoid disturbing those around you.
- Please turn off the sound on cell phones and beepers, to avoid disturbing those around you.
- Please do not read newspapers during class, to avoid distracting those around you.
- Please wait until the end of class to pack up books and papers, to avoid disturbing those around you. Please wait until the end of class meeting before leaving the classroom.

Important Dates from the UCSD Academic Calendar:

Last day to change grading option, or to drop without a "W" on the transcript:	Friday, April 27
Last day to drop without "F" on transcript:	Friday, June 1
Final examination:	Thursday, June 14, 11:30 AM to 2:30 PM

Midterm Examination Schedule (Preliminary -- Subject to Revision):

- Monday, April 23. Results available Wednesday, April 25. Please use the results to decide whether to change your enrollment or grading option.
- Wednesday, May 22. Results available Wednesday, May 30. Please use the results to decide whether to change your enrollment.

CALENDAR

Monday, April 2, **Organizational Meeting, What is this course about? What is Economics about?**

Brux and Cowen: Chapter 1

Wednesday, April 4 - Friday April 20, **Introduction to Macroeconomics, GDP and its fluctuations, Unemployment, Inflation, Fiscal and Monetary Policy**

Brux and Cowen: Chapter 12, 13, 14

Lecture notes on National Income Determination available on the class web page.

NEWS Friday, April 6, The Employment Situation - March, Bureau of Labor Statistics
Bureau of Labor Statistics <http://www.bls.gov/news.release/empsit.nws.htm>
and New York Times, <http://www.nytimes.com>, or Wall Street Journal,
<http://www.wsj.com/>

Monday, April 9

Assignment 1 Due: Your report on Friday's Employment Situation Release. See "Assignment 1" link on the web page.

NEWS Thursday April 12 Producer Price Index (PPI) - March. Bureau of Labor Statistics. <http://stats.bls.gov/news.release/ppi.nr0.htm> and New York Times, <http://www.nytimes.com>, or Wall Street Journal, <http://www.wsj.com/>

Monday April 16

Assignment 2 Due: Your choice of financial investment for the quarter. See "Assignment 2" link on the web page. OR throw a dart in class on Monday and let the dartboard make your investment choice.

NEWS Tuesday, April 17, Consumer Price Index - March, Bureau of Labor Statistics, <http://stats.bls.gov/news.release/cpi.nr0.htm> or and New York Times, <http://www.nytimes.com>, or Wall Street Journal, <http://www.wsj.com/>

Friday, April 20

Assignment 3 Due: Your report on the PPI and CPI for March. See "Assignment 3" on the class web page.

Monday April 23, Midterm Examination 1

Wednesday April 25 to Wednesday, May 2

Financial Markets: Understanding the Newspaper's Stock and Bond Market Tables, the Time Value of Money, Financial Bubbles, Financial Frauds

Wall Street Journal Educational Edition, and *Talk Like a Pro*, to be distributed in class. Notes available on the web.

Burton Malkiel, *A Random Walk Down Wall Street* (1st edition, 1973), pp. 28 – 45, 114 – 122, 150-158, 164-170.

Jonathan Clements, "Stock Funds Just Don't Measure Up," *The Wall Street Journal*, October 5, 1999, p. C1.

Jonathan Clements, "Not Everyone Can Pick Stock Funds. Really," *The Wall Street Journal*, November 9, 1999, p. C1.

"Ponzi Dies in Rio in Charity Ward," *New York Times*, January 19, 1949, p. 56.

"Ponzi, Charles" in George C. Kohn, *Dictionary of Culprits and Criminals*, p. 283

"Pyramid Schemes in Eastern Europe," in "Year in Review 1997" *Encyclopaedia Britannica Online*.

"How the Internet Bubble Broke Records, Rules, Bank Accounts," *Wall Street Journal*, July 14, 2000.

Wednesday, April 25, MIDTERM 1 grades available. Please use them to decide whether to change grading option or enrollment.

NEWS, Friday April 27

Gross Domestic Product, 1st quarter 2001 (advance) Bureau of Economic Analysis

<http://www.bea.doc.gov/bea/dn1.htm> and *New York Times*,

<http://www.nytimes.com>, or *Wall Street Journal*, <http://www.wsj.com/>

Friday, April 27 Last Day to CHANGE GRADING OPTION or to DROP class without recording a 'W'.

Monday April 30

Assignment 4 Due: Your report on 1st quarter GDP. See "Assignment 4" on the course web page.

May 4, Friday to Friday May 18

Competitive and Monopolistic Markets, Supply and Demand

Brux and Cowen, Chapter 1, 2, 4, and pp. 296-297

Notes available on the web

"State's Outlays for Electricity May Be Hard to Recover Without a Rate Hike,"

Wall Street Journal, March 8, 2001

NEWS

Friday May 4, 8:30 am (Eastern) The Employment Situation, April 2001. Bureau of Labor Statistics <http://www.bls.gov/news.release/empsit.nr0.htm> and *New York Times*, <http://www.nytimes.com>, or *Wall Street Journal*, <http://www.wsj.com/>

http://www.ucei.berkeley.edu/ucei/Recent_Presentations/sjmerc.pdf

Monday May 21

Assignment 7 due: Your report on the Federal Open Market Committee meeting. See "Assignment 7" on the course web page.

Monday May 21 and Friday, May 25 **Government Finance: The income tax.**

Brux and Cowen, chap 14

additional material on the course web page

Wednesday, May 23, MIDTERM 2, Covers all course material through Monday May 21.