

# **Economics 107: Principles of Economics**

**Fall Semester 2004**

Instructor: Yoram Bauman  
Classroom: Section A meets MTTh from 9:00-9:50 in Max 310  
Section C meets MTTh from 11:00-11:50 in Max 202  
Office: Max 313  
Office Hours: Tentatively MTW 3-4pm, or by appointment, or whenever my door's open  
Email: [baumanyk@whitman.edu](mailto:baumanyk@whitman.edu)  
Website: <http://smallparty.org/yoram/classes/principles>

## **Introduction**

Microeconomics is the study of the actions and interactions of optimizing individuals; macroeconomics aggregates these individuals together to study big-picture issues such as inflation, unemployment, GDP, and economic growth. This course consists of a broad survey of these disciplines. It attempts to establish fundamental concepts, illuminate the subject matter of upper-level courses, and explore connections with other disciplines.

## **Class Schedule**

Class meets MTTh from Tuesday, August 31, through Thursday, December 9, except for holidays on October 11-12 (mid-semester break) and November 22-26 (Thanksgiving break). The (cumulative) final exam will take place during the week of December 13.

Thursdays are Fun Days and will feature class discussions of topics such as free trade, voting, and the black market for human organs. (I welcome your suggestions for Fun Day topics.) The other days of the week will follow the course outline detailed on the class website. Modifications of the course outline may be necessary due to the pace of the class, natural disasters, or other events.

## **Grading Policy**

Your grade will be based on class attendance and participation on Fun Days (25%), on three or four midterm exams (50% total) and on a comprehensive (in-class) final exam (25%). (Please let me know as soon as possible if you are going to be absent for an exam.) You can earn extra credit by contributing to the class, e.g., by asking questions or otherwise participating in class. Although I have never had occasion to do so, I also reserve the right to take away points from students who negatively contribute to class by (for example) bringing annoying cell phones to class or arriving late to class on a regular basis. Under normal circumstances I will give you a written (emailed) warning prior to taking action.

### **Class Philosophy**

The immediate goals for this class are (1) to help introduce you to a new way of looking at the world, to what Paul Heyne called the economic way of thinking; (2) to apply this new way of looking at the world by discussing current events; and (3) to have fun.

The ultimate goal is for all of us to become more well-rounded and thoughtful members of society. As such, I will measure (and encourage you to measure) the success of the class by its long-term impact, i.e., by its effect on your thinking and behavior after the last day of class. One manifestation of this goal is that I will de-emphasize short-term achievements. In particular, I will not ask you to engage in pointless memorization: although exams are closed-book and closed-notes, I will provide a cheat sheet with relevant formulas. A second manifestation is that I will try hard to make the learning process as painless as possible: if you find the economic way of thinking difficult or cumbersome you are unlikely to make much use of it after class is over.

### **Textbooks**

There are two texts. The first is Mankiw's *Essentials of Economics*, 4<sup>th</sup> edition, available at the campus bookstore for about \$100. The second is a set of my class lecture notes, which are organized into a book titled *Quantum Microeconomics*; it is available at the campus bookstore for \$3.75. You can also download *Quantum Micro* (and the answer keys to end-of-chapter problems) from the class website; one advantage of online viewing is that the hypertext links are clickable. (Although you can also print *Quantum Micro* from the web, the computer people at WCTS have requested that you not do so.)

### **Mathematical Requirements**

I will try to avoid an overly mathematical presentation of the material, but graphs, formulas, percentages, numerical examples, basic algebra, &etc will be important elements of the class. The point of the mathematics is to clarify rather than muddy the economics, so please let me know me if you are having mathematical difficulties. If, on the other hand, you enjoy math (or if you plan to take more econ classes), you can check out *Quantum Micro with Calculus* at <http://www.smallparty.org/yoram/quantum>. (As always, I welcome your comments and suggestions.)

### **Communication**

I regularly send out emails to the class list provided to me by the College. I also post PDF files and other information on the class website. If you experience technical difficulties, you can try asking me, but your best bet is to ask the experts at <http://wcts.whitman.edu/>.

### **Disabilities**

If you would like to request academic accommodations due to a disability, please let me know.

### **A Final Caveat**

The *laissez-faire* ideology is central to this class. I will assume that you are doing what is best for you, and I will not question or attempt to have undue influence on your choices. I will try hard to tell you what to expect on tests, and you will be free to learn as you choose: learn from class, learn from your friends, learn from a book, learn from the lecture, learn from the web, learn from the (optional) homework assignments—whatever works for you. The only caveat is that you should not detract from the learning experience of other students. In short: you can sleep, but don't snore.

### **PS. Special Information Regarding Your Instructor**

I'm new to Whitman, so I want to make extra sure that you know what your options are if you have concerns about the course or about your instructor (i.e., me). So: You should not hesitate to tell me (in person, by email, by anonymous note, whatever) if you have any concerns. After all, I'm here to learn, too. But if you're not comfortable talking with me, or are not satisfied with the response you receive, you can contact the department chair (Hal Belay) or any of the other professors in the department; Keith Farrington in the Center for Teaching and Learning; your advisor; or...

### **First Fun Day Assignment**

As noted on the class webpage, <http://smallparty.org/yoram/classes/principles>, the first Fun Day concerns two readings:

- Leonard E. Read, "I, Pencil" (first published in *The Freeman*, December 1958; available online at <http://209.217.49.168/vnews.php?nid=316>).
- Garrett Hardin, "The Tragedy of the Commons", *Science*, New Series, Vol. 162, Issue 3859 (Dec. 13, 1968), pp. 1243-1248 (available in hardcopy only, on reserve at Penrose; you can make a photocopy there).

Please read these two articles and then log on to Blackboard (linked from the Whitman Students homepage or directly at <http://blackboard.whitman.edu/>) and write a paragraph or two of commentary by 8am on Thursday, September 2<sup>nd</sup>. Your post can either be an original post or a reply to someone else.