

“Happy it is for men that they are in a situation in which, though their passions prompt them to be wicked, it is, nevertheless, to their interest to be humane and virtuous.”

Montesquieu

**ECON 51: PRINCIPLES OF MACROECONOMICS
FALL 2007, POMONA COLLEGE
[HTTP://WWW.ECONOMICS.POMONA.EDU/SLAVOV/ECON51/](http://www.economics.pomona.edu/slavov/econ51/)**

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Office hours: Monday 2-3 pm, Tuesday 3-4 pm, Thursday 3-4 pm

What is this course about?

This course serves a dual purpose. First, it will introduce you to the science of economics. What is it about? How do economists think? Second, it will survey macro, the branch of economics which concentrates on the economy's aggregate behavior. The three most important concepts we will study this semester are growth, inflation, and unemployment.

I hope that by the end of this semester you feel that you have become a more sophisticated consumer of economic news and a more educated voter. If at the end of the semester you decide to take more economics classes, you will truly make me happy.

Lectures:

We will meet every Tuesday and Thursday in Hahn 108. The morning section meets at 9:35 am. The afternoon section meets at 1:15 pm.

Required texts:

Baumol, William, and Alan Blinder. Macroeconomics: Principles and Policy. 10th edition. South-Western, 2006. (*The 9th edition will do just fine as well.*)

Landsburg, Steven. The Armchair Economist: Economics and Everyday Life. Free Press, 1995.

Wheelan, Charles. Naked Economics: Undressing the Dismal Science. W.W. Norton & Company, 2003.

<u>Grading:</u>	Short writing assignments (best 20 out of 23)	15%
	Homeworks (best 6 out of 8)	15%
	Midterm 1	20%
	Midterm 2	20%
	Final	30%

Course policies:

The short writing assignments will be based primarily on chapters from Landsburg's and Wheelan's books but also on other short readings which will be distributed in advance (some are already posted on the class web page). Each short writing assignment will be due the day the reading is assigned – see the course outline on the next page. In each assignment, you will be asked to pick 3 ideas from the relevant reading and discuss how they enlightened, puzzled, or enraged you.

Each assignment should be typed and no longer than 1 page. Assignments will be due in class only. I will not accept them before or after class, or over e-mail. If you are registered for the morning section, you cannot submit your assignment in the afternoon one (and vice versa). Please read the underlined passage twice.

The due dates for homeworks are as follows: September 19, September 26, October 3, October 26, October 31, November 7, November 28, December 12 (all Wednesdays except for October 26 which is a Friday). Homeworks will be due by noon that day in a box right outside my office (Carnegie 207). Late homework will not be accepted. It is your responsibility to plan accordingly and submit your homework on or before the due date and time.

Use your freebies wisely. Save them for illness, travel, crunch in other classes, or any other unanticipated emergency.

Midterms will take place on October 9 and November 13 (both Tuesdays), during regular class time. There will be no alternate midterms.

The final exam for the morning section will be on Wednesday, December 19, at 9:00 am.

The final exam for the afternoon section will be on Monday, December 17, at 2:00 pm.

All exams will be closed-book, closed-notes. If you are registered for the morning section, you cannot take any of the tests with the afternoon one (and vice versa).

I will drop one or both of your midterm scores if you do better on the final. Under these scenarios, the final will count for 50% or 70% of your course grade, respectively.

You are allowed to skip one or both midterms. If you don't show up, the final exam will count for 50% or 70% of your grade, respectively. I strongly recommend against taking this strategy – it is risky and courts academic disaster. I urge you to take both midterms – they will never hurt your grade and can only help.

Take a careful look at all dates listed above. Please enroll in this class only if you can reconcile them with your travel plans and other commitments.

Finally, if you have a documented disability and wish to discuss academic accommodations, please contact me as soon as possible.

Communication:

The course has a web page where I will post homeworks and solutions, additional short readings, a calendar for the semester, and other materials. The address is:

<http://www.economics.pomona.edu/slavov/econ51/>

Course outline:

Lecture	B&B chapter	Additional readings
# 1 (September 4)	1,2,3	---
# 2 (September 6)	3,4	Landsburg's Chapter 1
# 3 (September 11)	4	Landsburg's Chapter 8
# 4 (September 13)	4,5	"Perfect Markets and the <i>World of Truth</i> " by Tim Harford
# 5 (September 18)	5	"Crosstown Traffic" by Tim Harford
# 6 (September 20)	6	"The Inside Story" by Tim Harford
# 7 (September 25)	6	"Department of Misunderstandings" by Timothy Taylor
# 8 (September 27)	7	"Grassroots Effort" by John McMillan
# 9 (October 2)	7,8	"Managers of Other People's Money" by John McMillan
# 10 (October 4)	8	Landsburg's Chapter 5 and Wheelan's Chapter 6
# 11 (October 11)	8,9	"He Who Can't Pay Dies" by John McMillan
# 12 (October 16)	9	"When You Work for Yourself" by John McMillan
# 13 (October 18)	9,10	Landsburg's Chapter 2
# 14 (October 25)	10	Wheelan's Chapter 2
# 15 (October 30)	11	"Game Theories" by Clive Thompson
# 16 (November 1)	11,12	Landsburg's Chapter 18
# 17 (November 6)	12	Landsburg's Chapter 7
# 18 (November 8)	13	Landsburg's Chapter 6
# 19 (November 15)	13,14	Wheelan's Chapter 8
# 20 (November 20)	14	Wheelan's Chapter 7
# 21 (November 27)	14,15	Landsburg's Chapter 19
# 22 (November 29)	15,16	Landsburg's Chapter 23
# 23 (December 4)	16	Wheelan's Chapter 11
# 24 (December 6)	16,17	"Market Imperatives" by John McMillan
# 25 (December 11)	17	---