

**ECONOMICS 1  
INTRODUCTION TO ECONOMICS**

This course surveys the principles of economics. It provides an introduction to both microeconomics, the study of firms and consumers, and macroeconomics, the study of inflation and unemployment. Special emphasis is placed on using economic analysis to understand contemporary economic problems and policies.

**LECTURE TIMES:** Mondays and Wednesdays, 9:10 - 10:00 p.m., Wheeler Auditorium.

**PROFESSOR'S OFFICE HOURS** (Drop in): Mondays 10:30-11:30 am; Wednesdays, 4:30-5:30 pm  
673 Evans Hall, x3-8554 (voice mail x3-7090), [cbrown@econ.berkeley.edu](mailto:cbrown@econ.berkeley.edu)

**HEAD TA:** Kitt Carpenter, 508-2 Evans Hall, x2-4629, [kitt@econ.berkeley.edu](mailto:kitt@econ.berkeley.edu). Office Hours: Mondays 10-11 and by appointment.

**ADDING THE COURSE:** See the department's Website for info. For enrollment information, go to <http://emlab.Berkeley.EDU/econ/enrinfo.htm>.

**DISCUSSION SECTION:** Section meets two hours per week. TA's will announce their office hours in section. Students must attend both sections during Week 1 or their space in this course will be given to another student. TAs will be in teams of two, and your work will be graded by your TA's team.

**REQUIRED TEXT:** William Baumol and Alan Blinder, *Economics: Principles and Policy*, 8th Edition, The Dryden Press (Harcourt), 1999.

**LETTER OF INTRODUCTION:** For your second section meeting, please write a one-page letter of introduction of yourself to your teaching assistant. Include your name and anything about yourself that you would like to share. This may be typed or handwritten. It will not be graded nor returned.

**COURSE REQUIREMENTS AND BASIS FOR GRADES**

You are expected to attend lecture and section meetings. You are responsible for reading the assigned text readings. It is recommended that you skim the assigned readings BEFORE that day's lecture and review the reading AFTER the lecture. This course covers the material very quickly, at the rate of one chapter per lecture. Since the material is cumulative, it is imperative that you keep up with the reading.

You are expected to attend and participate in your discussion section. Your GSI will go over material from the lectures, add some new material, and answer your questions. Your active participation in section will enhance your understanding of the course material and will be useful on problem sets and exams.

Your course grade will be based on your performance on a three-hour comprehensive final, two midterm exams, and five problem sets (only four of which will be graded). For exams, you are responsible for the material covered in lecture, in section, and in the assigned readings. There are 300 total points possible in this course. The weights that will be used to compute your total point score (from which a letter grade will be determined) are:

Assignment	Percent of Grade	Point Value
Four Problem Sets	12 %	36
Midterm #1	24 %	72
Midterm #2	24 %	72
Final Exam	40 %	120

## **FINAL EXAM**

The final exam is May 12, 5-8 pm. **If you cannot make the final, DROP the course.** There will be no make-up final. Any emergency excuse for not taking the final exam must be approved by the Chairman of the Economics Department. The final examination will be comprehensive and will cover all material presented in lecture, in section, and in the assigned readings.

## **TWO MIDTERM EXAMS**

The first midterm exam will be held Monday, March 6, 12:10 - 1:00 p.m. in Wheeler Auditorium. The first exam will cover the material presented in Lecture, section, and the assigned readings through Friday, March 3.

The second midterm exam will be held Wednesday, April 19, 12:1-1:00 p.m. in Wheeler Auditorium. The second exam will cover the material presented in lecture, section, and the assigned readings since the first midterm through Tuesday, April 18.

There are no scheduled make-up exams. Students who miss a midterm and who have an excuse meeting University standards will have their other exams and problem sets weighted proportionately more. Excuses must be approved by the Head TA, Kitt Carpenter, within 48 hours of the scheduled exam.

## **PROBLEM SETS**

There will be five problem sets, and four problem sets are required (student's choice). There will be no excuses for problems sets not turned in. Any problem set not turned in will receive a zero (0). Problem sets will be worth 9 points each and will be graded on a Check Plus (9 pts)/ Check (7 pts)/ Check Minus (5 pts)/ Zero (0 pts) scale. You may work with other students on the problem sets, but the written answers must be in your own words. If you copy someone else's answer, that is cheating. Problem sets will be handed out in lecture and due at the second section of the week indicated below. Problem sets are not available on the course website. Your TA is not responsible for problem sets that are not turned in during section. Problem sets placed into a TA's box may be stolen, and stolen problem sets receive a zero (0).

Problem Set #1 Due second section, week of Jan 31.

Problem Set #2 Due second section, week of Feb 21.

Problem Set #3 Due second section, week of Mar 20.

Problem Set #4 Due second section, week of Apr 3.

Problem Set #5 Due second section, week of May 1.

## **GRADING**

All exams consist of short answer, problems, and essay questions. Exam answers are graded solely upon their content (what you actually write) and not upon their intent (what you "mean to say"). Answers that are illegible, rambling, poorly organized, or address a question other than the one asked will not receive high marks. Completing all assignments will be necessary but not sufficient to earn a high grade. Your problem sets and exams will be graded by your teaching assistant team. Care is taken to insure uniformity of grading standards across all discussion sections.

There is no fixed curve for this course. It is theoretically possible for everyone to earn an A. Past performance of students in Economics 1 indicates however that approximately 20 percent of the class will receive an A of some sort, about 30 percent will receive a B of some sort, and about 50 percent will receive C's or below.

This course can be taken Pass/Not Pass if you are otherwise free to do so. P/NP students are expected to do the same work as other students and will receive scores on all assignments. If the course grade is a C- or better, a P/NP student will receive a Pass. P/NP students must take the final in order to pass the course.

## **GRADE DISPUTE POLICY**

There will be one uniform grade dispute policy for this course. Grade disputes will not be allowed on problem sets, and it is university policy that final grades cannot be changed for reasons other than clerical error (i.e. there will be no final exam grade disputes). If you wish to dispute your midterm grade, you must submit *in writing* the questions you think have been misgraded and why you think they have been misgraded. Grade disputes must be handed to your TA no later than one week after the midterms have been handed back in section. Submitting a grade dispute does *not* mean that your grade will be changed.

### **ACADEMIC HONESTY POLICY**

**Cheating will not be tolerated.** Any form of cheating whatsoever will result in a score of zero (0) on that assignment or examination. Cheating on the final exam results in an "F" grade for the course. Cheating includes but is not limited to bringing notes or written materials into an exam, using notes or written materials during an exam, copying off another person's assignment or exam, allowing someone to copy off of your assignment or exam, and having someone take an exam or do an assignment for you. Instances of cheating are reported to the Office of Student Conduct, which may administer additional punishment. Please note that the University does not allow students to drop a class after an instance of cheating has been recorded.

### **FIRE ALARM POLICY**

A truly annoying bad habit at UCB is the pulling of fire alarms by ill-prepared and selfish students who foolishly think their entire future rests on the grade on one midterm. This is a felony crime, punishable by a fine and time in jail. In addition, anyone caught pulling the alarm will fail the course and is subject to expulsion from the University. If the alarm is pulled during an exam, the class will move outside and finish the exam in the allotted time.

### **SPECIAL ACCOMMODATIONS**

If you require special accommodations for exams due to learning or other disability, you must speak with Head TA Kitt Carpenter no later than February 9. You will need to obtain the evaluation form from Disabled Students' Program (230 Caesar Chavez Center).

### **STUDENT LEARNING CENTER** (<http://slc.berkeley.edu/SLCF96/busad/busad.html>)

We encourage you to take advantage of the services offered by the Student Learning Center, located in the Caesar Chavez Center. The Student Learning Center offers study groups, individual tutoring, problem-solving workshops, and an adjunct course (Economics 98). Contact Manuel Castro at 3-7878 or [MCastro@uclink4](mailto:MCastro@uclink4) for general information about the Student Learning Center's Economics 1 services. For specific questions about the adjunct course, contact Richard Gibson at 2-1342 or [rgibson@uclink4](mailto:rgibson@uclink4).

## **COURSE OUTLINE AND READING ASSIGNMENTS**

Reading assignments are below. All "B&B, Ch" assignments are from Baumol and Blinder, *Economics*, 8th edition. You should read the entire chapter unless pages are indicated. You should OMIT the appendix unless it says "including appendix". **In lecture, the graphs and charts used from the book will be marked with the page on which they appear, so that you do not have to copy the figures during lecture.**

<b>CLASS</b>	<b>TOPIC AND ASSIGNED READING</b>
Wed, Jan 19	Organization of Course; Overview of the US Economy B&B, Ch 3 (B&B, Ch 2 will be covered in section.)
Mon, Jan 24	Scarcity, Opportunity Cost, and Efficiency B&B, Ch 4
Wed, Jan 26	Supply and Demand B&B, Ch 5
Mon, Jan 31	Individual and Market Demand B&B, Ch 6

### **Problem Set 1 due second section this week.**

Wed, Feb 2	Elasticity of Demand B&B, Ch 7
Mon, Feb 7	Production Function B&B, Ch 8
Wed, Feb 9	Profit Maximizing; Marginal Cost and Marginal Revenue B&B, Ch 9
Mon, Feb 14	Production in Perfect Competition B&B, Ch 10
Wed, Feb 16	Production in Monopoly Market B&B, Ch 12
Mon, Feb 21	Holiday

### **Problem Set 2 due second section this week.**

Wed, Feb 23	Evaluating the Market System B&B, Ch 14 (Appendix to chapter 17 on present value will be presented in section.)
Mon, Feb 28	Factor Pricing B&B, Ch 17
Wed, Mar 1	No class. (Catch up day!)
<b>Mon, Mar 6</b>	<b>Midterm 1 in Wheeler Auditorium. Be on time!</b>
Wed, Mar 8	Overview of US Macroeconomic Performance B&B, Ch 23

- Mon, Mar 13            Goals of Macroeconomic Policy  
B&B, Ch 24  
(Appendix to Ch 24 will be covered in section.)
- Wed, Mar 15            GDP and Consumption  
B&B, Ch 25  
(Appendix to Ch 25 will be covered in section.)
- Mon, Mar 20            Aggregate Demand and Equilibrium  
B&B, Ch 26

**Problem Set 3 due second section this week.**

- Wed, Mar 22            Multiplier Analysis  
B&B, Ch 27
- Week of March 27      Spring Break (Enjoy!)
- Mon, Apr 3             Aggregate Supply and Equilibrium  
B&B, Ch 28

**Problem Set 4 due second section this week.**

- Wed, Apr 5             Fiscal Policy  
B&B, Ch 29  
(B&B, Ch 30, Banks and Money Creation, pp 632-638, will be covered in section.)
- Mon, Apr 10            Monetary Policy  
B&B, Chs 31, 32
- Wed, Apr 12            Evaluating Budget Deficits  
B&B, Ch 33
- Mon, Apr 17            No class. Catch up day.
- Wed, Apr 19            Midterm 2 in Wheeler Auditorium. Be on time!**
- Mon, Apr 24            Comparative Advantage and International Trade  
B&B, Ch 35
- Wed, Apr 26            International Monetary System  
B&B, Ch 36
- Mon, May 1             Trade and the Macroeconomy  
B&B, Ch 37

**Problem Set 5 due second section this week.**

- Wed, May 3             No class. Catch up day.
- Mon, May 8             Review  
B&B, Ch 1

**Friday, May 12, 5:00 - 8:00 p.m. FINAL EXAMINATION (Good luck!)**