Principles of Economics 101
Section 3: Fall 2008

Instructor: Professor Joe Herriges

Class Time: MWF 11:00-11:50

Location: Mackay 117

Course Purpose: Most people, if asked, would say that economics has something to do with money, business or the stock market. However, while economists do deal with each of these topics, the field itself is much broader. Economics is the social science that studies how people make decisions under conditions of scarcity – i.e., given constraints on their income, time, resources, etc. Microeconomics focuses specifically on the decisions of individuals, households, and firms. (Macroeconomics, in contrast, studies aggregate consequences of these decisions as typically measured by unemployment rates, inflation, economic growth, etc.) The core theory learned in this course can be applied to public policy, environmental and natural resource issues, health care, education, financial markets, industrial organization, international trade, and many other areas.

Importantly, economic theory is valuable not only for its direct applications, but also for its scientific rigor in thinking about social issues and public policy. In particular, the theories force us to make explicit our assumptions and objectives. This allows us to more objectively critique competing viewpoints. It also allows us to better understand the actions of other individuals and how their environments and objectives influence their decisions. Learning about economics has life-long benefits if for no other reason than because it helps us become more critical thinkers.


Aplia:

  Course Key KP3F-UZUW-HHJE  
- Online Problem Set Due Dates: Announced in Class and on the web

E-mail: jaherrig@iastate.edu (preferred method of correspondence)

My Office: 369 Heady Hall

My Office Hours: MWF 10:00-10:50 am

Head TA: See webpage

Help Room: 180 Heady Hall

- Open: Mon-Thurs 9-6, Fri 9-5
- All 101 students can see any TA in the Help Room
- See course webpage for my TA’s specific hours
Grading Policy:

- **Grade Composition:**
  - 3 Exams: 75%
  - Online Aplia Assignments: 25%

- All administrative questions about grades are handled by the Head TA. Contact me about grades only if the Head TA is not able to resolve the problem to your satisfaction.

- **Exams:**
  - For exams (and all other written work), always provide the following 9 digits of your student ID: 000000 XXXXXXXX 00.
  - There are no make-up exams. If you miss an exam for any reason, then I will simply shift the weight to the other exams. However, in that event I will drop the lowest Aplia score instead of your two lowest Aplia scores. If you miss more than one exam, then the second missed exam will receive an F. (Serious personal problems which require exceptions to normal class rules will be handled on a case-by-case basis with the Student Dean’s Office)
  - Exams will be administered in the usual classroom. Be sure to bring a photo ID.
  - No calculators are allowed during the exams.
  - Let me know beforehand about any special needs for a disability.

- **Aplia Assignments:**
  - Aplia assignments are graded automatically. Late assignments will not be graded, even if they are only one minute late. To account for occasional internet problems, always plan to submit your assignments at least 24 hours in advance.
  - The lowest two problem sets are automatically dropped to account for the possibility of occasional internet problems, illness, or other emergencies.

- **Class Participation and Etiquette:**
  - Class attendance is not directly graded, but attendance and behavior in the classroom can affect a grade in borderline cases.
  - Those who consistently violate the rules of classroom etiquette (see below) will be penalized (i.e., “class participation < 0”).
Textbook readings

The required text for this course is Robert Hall and Marc Lieberman, *Microeconomics: Principles and Applications, 4th Edition*, South-Western College Publishing. The online Aplia software accompanies the textbook and is used for problem sets and class experiments. You have the option of buying a physical textbook (a version that includes an Aplia license code) or an identical version that you can read on the web.

Additional readings

Over the semester, students should also read all of the short public policy debates that are linked near the bottom of the class webpage. These policy debates are easy to read and apply many of the tools learned in class to interesting real-world problems. The extra credit paper will be based on these readings.

Aplia problem sets

Online Aplia problem sets, synchronized with the textbook readings, will be regularly assigned throughout the semester – generally one assignment per chapter. They are automatically graded by computer, and the deadlines are strict (to the minute!). Allow for the possibility of a temporary internet failure. You should submit your answers at least 24 hours in advance to be safe. I have no control over how Aplia grades the problem sets. (As noted above, I will automatically drop your two lowest problems set scores to account for occasional difficulties.)

Students are allowed to work together on the problem sets. However, merely understanding how a classmate arrived at a solution is not the same as figuring out the problem yourself. Not until you struggle through a problem yourself do you truly begin to understand the problem. If you are proactive in working on the problem sets, this will count as valuable study time for the exams. If you are instead passive, spending most of your time trying to digest what someone else figured out, then your exam scores will likely suffer.
Extra credit

- I will occasionally assign extra credit Aplia assignments that highlight the role of economics in current events news stories. To get any extra credit, most of your responses must be correct.

- Students may turn in a short summary paper that carefully describes aspects of a contemporary public policy debate. This paper is worth up to three times as much credit as an Aplia extra credit assignment. Details are provided below.

- *Grading of extra credit:* At the end of the semester, I will initially assign final grades without considering extra credit. I will then check whether a student has attained enough extra credit to improve the grade. If a student’s initial grade is borderline, then doing a small amount of extra credit (if done well) might be enough to improve the grade. Extra credit never improves the final grade by more than one full letter grade; more typical is one-half letter grade (e.g., C+ to B-) if a substantial amount of extra credit is done well.

- After calculating the total fraction of extra credit attained on a scale from 0 to 100%, I will construct a separate extra credit curve for the class. Students who do well against this curve (especially among those with borderline grades) will be bumped up to a higher final grade.

Details for the extra credit paper:

A link to the list of debate topics is found near the bottom of the class webpage. Click on “economics policy debates” and then choose one of the “hot debates” in the left-hand column.

- *Content:* The written assignment consists of three parts plus a short bibliography:
  - (1 page) The first part of your assignment is to write a one-page summary of the authors’ main arguments – using your own words – in a way that demonstrates your thorough understanding of both sides of the debate. This first page is to be based entirely on the initial summary contained in the “Issues and Background” section of your selected debate.
  - (1/2 page) The second part of your assignment is to add half a page of additional details using information provided in the background articles (downloadable for your convenience) listed under “Primary Resources and Data.” You must refer to at least two of these articles and cite them accordingly.
  - (1/2 page) The third part of your assignment is to add half a page of your own views on the subject. The best papers will try to incorporate knowledge learned in class or from the textbook, but that is not a requirement.
  - Your third page will be a short bibliography of the downloadable articles you cite (at least two references - see above).
• **Format:** Use the following guidelines:
  o Times New Roman font (or similar), no larger than 12 pt.
  o 1 inch margins all around
  o double-spaced
  o Include printouts of whatever documents you cite from the “Primary Resources and Data” section.
  o STAPLE everything together to avoid a big mess for the TAs. Otherwise, the paper will not be graded.
  o Don't forget to include your name, section number, and student ID number.

• **Turning in your paper:**
  o The paper is due November 17, 2008.
  o To receive credit, written assignments must be turned in both electronically and in hard copy form.
    - The hard copy should be turned in at the Help Room in the appropriate box, not my office.
    - The electronic copy should be submit to the Head TA’s e-mail address (See class webpage). The electronic copy should be in whatever word processor you used (e.g., Microsoft Word), not in a PDF format. The electronic copy does not need to include the documents you cite from the “Primary Resources and Data” section.
  o It is important to clearly write your name, section number, and 9-digit student ID number.
  o SAVE a copy of your work in case it gets lost.

The mere act of turning in a paper does not guarantee any credit. There has to be thought and effort behind it.

**Additional Useful Resources**

Online quizzes for each chapter of the text (with answers) are available at the class webpage. These quizzes are optional, but they are good practice and can help you monitor how well you understand the material. There is also a set of links to useful economics websites.
Classroom Etiquette

I want to provide an excellent learning environment for everyone. As a general principle, please try to be considerate of those around you.

- Please do not start gathering up your materials before the lecture is completely over. Lots of seemingly quiet rustling adds up to very distracting noise in the aggregate. It also delays the end of the lecture.

- If you must leave early, please sit near the door.

- Conversations between students in lecture halls are easier to hear and more distracting than commonly realized.

- Please do not read newspapers during lectures. It is often distracting to those around you, even if you’re being quiet.

- I don’t mind food or drink within reason.

- It is always fine to interrupt with questions.

Economics Major

Please come talk to me if you become even remotely interested in economics as a major. Economics can be a wonderful option for students interested in creative problem-solving and critical thinking about real life issues. Economics majors are typically well paid and have the opportunity to work together with professionals across disciplines. Many economics majors have rewarding careers outside of economics. They are valued in the real world not only for their knowledge about economics, but more importantly for their general analytical insights into how to solve problems.

Disability Accommodations

If a student has a disability that qualifies under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act and requires accommodations, he/she should contact the Disability Resources (DR) office for information on appropriate policies and procedures. DR is located on the main floor of the Student Services Building, Room 1076, phone 515-294-7220.

Always feel free to come to me with concerns about the course or about the TA’s. I am always willing to work with students who have a serious personal situation. Such situations will be handled case-by-case with the help of the Student Dean’s Office.