

The University of Texas at Austin
ECO 301: Introduction to Economics

Spring 2012
Unique Number: 34130

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Class Meetings: MWF 9-10am
Location: WAG 214
Office Hours: MWF 8-9am

Course Overview

ECO 301 is aimed at students who do not plan to take additional courses in economics but who want to gain a basic understanding of the workings and outcomes of market economies. The course will cover topics in both *microeconomics* and *macroeconomics*. Microeconomics is the study of how individual economic “agents” (consumers, households, firms, etc.) with limited resources but unlimited wants make choice decisions and how market-level outcomes (prices, quantity of trade, etc.) are determined when these agents interact. Since essentially all real-world choice problems involve tradeoffs, microeconomic models of decision-making have very broad applicability. Macroeconomics focuses on measuring the aggregate economy (GDP, inflation, unemployment rate, etc.) and understanding the causes of its growth and fluctuations. Most of the economics coverage in the news is devoted to macroeconomic topics.

You should not take this course if you want (or even think you might want) to major or minor in economics or another field that requires substantial coursework in economics (such as business). In particular, ECO 301 **cannot** be used as a substitute for ECO 304K (Introduction to Microeconomics), which in turn is a prerequisite for nearly all other UT economics courses.

Course Materials

The course textbook is *Principles of Economics* by N. Gregory Mankiw (South-Western/Cengage Learning, 2012, 6th edition). The book should be available from the UT Co-op as either a hard copy textbook or an e-book. We will not cover all of the chapters in the book and I will present some of the material differently than the textbook does. Thus, reading the textbook will not be a perfect substitute for attending lectures and taking notes.

Grading

Your course grade will be determined by your performance on graded homework assignments and four “midterm” exams. A final exam will not be given.

Graded homework assignments cumulatively will receive a 20% weight in determining your course grade. The graded homework assignments and their due dates are displayed clearly on the schedule below. These assignments will be posted on blackboard and must be turned in at the beginning of class on (or prior to) the due date to receive credit. In computing your overall homework score, I will drop your two lowest homework scores. Your overall homework score will be your average score on all of the other homework assignments.

Your midterm exam scores will each receive a 20% weight in determining your course grade.

Course Schedule

Midterm exam dates, which will not be altered, are as follows: Midterm 1: Friday, **February 10th**; Midterm 2: Wednesday, **March 7th**; Midterm 3: Friday, **April 13th**; Midterm 4: Friday, **May 4th**;

Please verify now that you will be able to attend class on all of the exam dates. Exams will **not** be rescheduled. Missed exams will be excused without penalty only for absences due to verifiable emergencies or reasons that the university explicitly allows. In this case, the weight assigned to all other graded components of the course will be scaled up proportionately. Exams missed for unexcused reasons will receive a score of zero.

A **tentative** course schedule is shown below. The topics covered, the time devoted to each topic, and the chapters covered on each midterm exam are only forecasts and may change. In contrast, the exam dates are firm. If we do not maintain the pace implied by the schedule, the chapters covered on the exams will be adjusted to reflect what we have covered.

Date	Chapters	Topics or Activity	Materials Due
Wed., 1/18	1	Syllabus / Administrative details / Introduction	
Fri., 1/20	2	Brief Introduction to Economics	
Mon., 1/23	3	Comparative Advantage	
Wed., 1/25	3	Comparative Advantage (experiment)	HW # 1 Due
Fri., 1/27	4	Supply and Demand	
Mon., 1/30	4	Supply and Demand	
Wed., 2/1	5	Elasticity	HW # 2 Due
Fri., 2/3	6	Surplus	
Mon., 2/6	7	Efficiency; Interventions in Competitive Markets	
Wed., 2/8	(1-7)	Review	HW # 3 Due
Fri., 2/10		Midterm 1 (covers chapters 1-7)	
Mon., 2/13	8	Taxes in Competitive Markets	
Wed., 2/15	9	International Trade	
Fri., 2/17	10	Externalities (experiment)	HW # 4 Due
Mon., 2/20	10	Externalities	
Wed., 2/22	11	Public Goods	
Fri., 2/24	13	Cost of Production (experiment)	HW # 5 Due
Mon., 2/27	13	Costs of Production	
Wed., 2/29	14	Firms in Competitive Markets	
Fri., 3/2	14	Firms in Competitive Markets	HW # 6 Due
Mon., 3/5	(8-11, 13-14)	Review	
Wed., 3/7		Midterm 2 (covers chapters 8-11, 13-14)	
Fri., 3/9	15	Monopoly	
Mon., 3/12		--Spring Break--	
Mon., 3/14		--Spring Break--	
Mon., 3/16		--Spring Break--	
Mon., 3/19	15	Monopoly	
Wed., 3/21	17	Oligopoly	HW # 7 Due
Fri., 3/23	17	Game Theory (experiment)	
Mon., 3/26	17	Game Theory	
Wed., 3/28	23	Measuring a Nation's Income	HW # 8 Due
Fri., 3/30	24	Measuring the Cost of Living	
Mon., 4/2	25	Production and Growth	
Wed., 4/4	26	Production and Growth	HW # 9 Due
Fri., 4/6	26	Saving, Investment, and Financial Markets (exper.)	
Mon., 4/9	27	Basic Tools of Finance	
Wed., 4/11	(15,17, 23-27)	Review	HW # 10 Due
Fri., 4/13		Midterm 3 (covers chapters 15,17, 22-27)	
Mon., 4/16	28	Unemployment	
Wed., 4/18	29	The Monetary System	
Fri., 4/20	30	Money Growth and Inflation	
Mon., 4/23	33	Aggregate Demand and Aggregate Supply	HW # 11 Due
Wed., 4/25	33	Aggregate Demand and Aggregate Supply (exper.)	
Fri., 4/27	34	Monetary and Fiscal Policy	
Mon., 4/30	34	Monetary and Fiscal Policy	HW # 12 Due
Wed., 5/2	(28-30,33-34)	Review	
Fri., 5/4		Midterm 4 (covers chapters 28-30, 33-34)	

Resources for Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, (471-6259, <http://www.utexas.edu/diversity/ddce/ssd>). I cannot provide accommodations without official certification of disability from this office.

A Few Helpful Tips

- You will get more out of lectures if you do the relevant reading **before** I cover the material in class.
- You will be able to draw more useful diagrams in your class notes if you bring at least two different colored pens or pencils and a straight-edge with you to class.
- Don't be shy about asking questions. If you have a question about something, several of your classmates probably do, too. Also, occasional discussions will make the course more interesting for everyone.

Academic Integrity:

If you are unsure of how to avoid cheating please see: <http://deanofstudents.utexas.edu/sjs/acadint.php>.