

Haverford College - Department of Economics
ECON 106 — INTRODUCTION TO ECONOMICS with CALCULUS
Fall Term 2015

SYLLABUS

Course Description

This course provides an introduction to the main principles and concepts underlying the study of economics. The first half of the course is devoted to microeconomics — we study decision making by individuals and firms in a variety of contexts (including non-market and ‘non-economic’ ones), and ask when these decisions are likely to be ideal or ‘efficient’. The second half of the course focuses on macroeconomics — topics include: the determination of GDP, money and interest rates, unemployment and inflation, and fiscal and monetary policy.

Mathematics has become indispensable in study of modern economics. Accordingly, this course makes significant use of the mathematical tools of optimization.

Instructor

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Office Hours: Wednesdays 1:30-3:30pm (sign up [here](#))

Teaching Assistant

TBA

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Text

- N. Gregory Mankiw, *Principles of Microeconomics*, 8th edn, 2017.
- N. Gregory Mankiw, *Macroeconomics*, 9th edn, 2015. (Available for download: https://www.academia.edu/8458374/N._Gregory_Mankiw_Macroeconomics_7th_edition_2009)

Prerequisites

MATH 118 or equivalent.

Assessment

Student evaluation will be based on weekly problem sets (30%), a mid-term exam (30%) and a final exam (40%).

Problem sets will be posted on Moodle every Wednesday, and shall be turned in during class the following Wednesday. Late problem sets will incur a penalty of 1 point (out of 10) if submitted within 2 days of the deadline, and 2 points if turned in any later. Solutions will be posted on Moodle.

Course Outline

A. MICROECONOMICS

1. Introduction (0.5 weeks)
 - a. Models in Economics

2. Markets (1.5 weeks)
 - a. Demand, Supply & Equilibrium
 - b. Elasticity & Revenue
 - c. Welfare

3. Consumer Theory (2.5 weeks)
 - a. Preference, Utility, Optimization
 - b. Consumption, Leisure & Labor Supply
 - c. Inter-temporal Decision Making & Savings

4. Producer Theory & Market Structure (2.5 weeks)
 - a. Technology, Production & Costs
 - b. Perfect Competition
 - c. Monopoly
 - d. Game Theory & Oligopoly

5. Market Failure (1 week)
 - a. Public Goods & Externalities
 - b. Private & Public Solutions to Externalities

B. MACROECONOMICS

6. Macroeconomic Aggregates (0.5 weeks)

7. Long Run Macroeconomics: (1 week)
 - a. Potential Output, Natural Rate of Unemployment
 - b. Monetary Theory of Price Level

8. Short Run Macroeconomics: Fixed Prices (2.5 weeks)
 - a. Aggregate Expenditure & Multiplier Effect
 - b. IS-LM Model
 - c. Aggregate Demand & Aggregate Supply
 - d. Phillips Curve; Inflation and Unemployment

9. Very Long Run Macroeconomics & Growth (2 weeks)
 - a. Solow Growth Model