

Econ 101 H, Section 001, Principles of Economics (Honors)
Spring 2012 (Tuesday and Thursday, 9:30-10:45am)

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Office Hours: Tuesday and Thursday: 10:45am – noon, and by appointment.

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Course Goals

The purpose of this course is to change the way you look at the world. To that end, the course focuses on core economic concepts and provides opportunities to practice using them in contexts like you will encounter throughout your lives. Success in this course cannot be determined on the day of the final examination—only later when you show that you understand what economics has to say about taxes, environmental rules, trade agreements, free markets, unintended consequences of well-intended policies, stimulus policies, the Federal Reserve and other issues. The goal of the course is to help you think like an economist. I will not preach. It is up to you to decide how important it is to look at the world with an economist's eyes. For me, it is sufficient that you can see with those eyes.

Dates

February 16	Midterm Examination in class
March 29	Midterm Examination in class
May 3	Thursday, 8:00-11:00 am, Final Examination
May 4	Friday, 9:00-noon, Final Examination Makeup

Our scheduled final exam is late in the exam period. I will not schedule an early makeup under any circumstance.

Examinations and Grades

There are 100 possible points in the course: 25 for each of three examinations and 25 points for class exercises and quizzes. Letter grades are based on total points and not on an average of letter grades. The final examination is cumulative. Late work is penalized. There are no makeup examinations for missed midterms. A student who misses a midterm examination can transfer the missed credit to the final examination by providing an adequate explanation and suitable documentation to the instructor. The course will adhere strictly to the Honor Code and I consider use of any electronic device (with the exception of a four function calculator) during an examination to be a de facto violation of the honor code. I will also adhere strictly to UNC procedures for final examinations.

Course Journal

Students are required to keep a course journal. I will routinely assign tasks that students are to report on in their journal. I will collect journals during the semester and at the end of the course and provide comments. Some of the exercise and quiz points will be awarded based on the quality and regularity of journal entries.

Other Graded Work

Students will be required to complete graded exercises several times during the semester. There will also be quizzes to determine whether students are well prepared to discuss assigned outside readings on class days set aside for discussion of those readings. Please see the course calendar.

What Students Will Do in This Course

For each topic, the course combines Tuesday lectures and Thursday hands-on activities such as co-operative learning exercises, simulations and discussion of readings. In Tuesday lectures, I will provide selective guidance in understanding the assigned material from the text. Students are expected to master the details on their own. During Thursday activities, students will have an opportunity to apply the text material in a variety of challenging ways.

Attendance

Because class activities are an important part of this course, very regular attendance is expected of every student. Pop quizzes will be given at the instructor's discretion. Students who are not willing to attend very regularly should drop the course.

Principles of Economics Syllabus

Text: Frank, Robert H., and Ben Bernanke, *Principles of Economics, Brief Edition, Second Edition*, McGraw Hill, 2011, ISBN-13 9780073511436

1. Introduction

FB, Chapters 1-3

Frank, Robert, "The Opportunity Cost of Economic Education," *New York Times*, September 1, 2005.

Hansen, W. Lee, Michael K. Salemi, and John J. Siegfried (2002), "Use It or Lose It: Teaching Literacy in the Economics Principles Course," *American Economic Review*, Papers and Proceedings of the American Economic Association, vol. 92, no. 2, 463-72.

Smith, Adam (1776), *Wealth of Nations*, The Modern Library Paperback Edition (2000), New York, Chapters 1-4.

2. Competition and the Invisible Hand

FB, Chapters 4-6 and 21.

Hayek, F. A. (1945), "The Use of Knowledge in Society," *American Economic Review*, 35 (4), 519-30.

Radford, R. A. (1945), "The Economic Organization of a P.O.W. Camp," *Economica*, **XII** (48) November, 189-201.

Smith, Adam (1776), *The Wealth of Nations*, The Modern Library Paperback Edition (2000), New York, Chapters 6-7.

3. Market Imperfections

FB, Chapters 7-9

Krugman, Paul R. (1987), "Is Free Trade Passe?" *The Journal of Economic Perspectives*, 1 (2), 131-44.

Jonung, Lars and Eoin Drea (2010), "It Can't Happen, It's a Bad Idea, It Won't Last: U.S. Economists on the EMU and the Euro, 1989-2002," *Econ Journal Watch*, 7 (1), 4-52.

4. Macroeconomics

FB, Chapters 11-16.

"U.S. Monetary Policy: An Introduction (2004)," Federal Reserve Bank of San Francisco, 1-24.

Bernanke, Ben S. (2010), "Monetary Policy and the Housing Bubble," Speech Given at the Allied Social Science Association Meetings in Atlanta, Georgia, January 3, 2010

Hall, Robert E. (2010), Why Does the Economy Fall to Pieces after a Financial Crisis? *Journal of Economic Perspectives*, 24 (4), 3-20.

Taylor, John B. (2010), "Getting Back on Track: Macroeconomic Policy Lessons from the Financial Crisis," *Federal Reserve Bank of St. Louis Review*, 92 (3), 165-76.