

QUEENS COLLEGE – CUNY
University of Shanghai for Science and Technology
Syllabus

Economics(经济学)

Text: Principles of Economics – Third Edition

This course is a fast paced introduction to economics. Our course is called a combo (combination course) because we cover both micro and macro economics. Microeconomics is the study of how consumers and firms make decisions and interact in markets, along with how the government can influence market outcomes (with taxes and subsidies, for example). Macroeconomics is the bigger story about why some countries are poor (LCDs, like Ecuador, North Korea, and Syria), some countries are rich (OECDs, like the United States, the United Kingdom, and Australia), and some countries are in a state of rapid economic development (transition economies, like India, China, and Brazil). In macro we learn about GDP, unemployment, inflation, economic growth, and business cycles, and how the government can improve the economy's performance (*fiscal and monetary policy*). Economics is a social science that began to develop in 1776 when Adam Smith, a Scottish philosophy professor, published his masterpiece, "The Wealth of Nations." Since then, economics has developed a sophisticated, analytical framework that can explain how the world works. But it is really more than that. Economics is a way of thinking that can be used to investigate situations in your world. For example:

1. Why will some of you make more money than others?
2. When should you stop dating and get married?
3. Should the rate of economic development be slowed in order to fight pollution?
4. Why do countries go to war?
5. Should the government provide health care for everyone in the society?
6. Why do the smallest jellyfish have the most lethal poison?

Obviously, from the diversity of these issues, my point is that economics can be used to investigate just about anything!

What are the principles of economic thinking?

1. People respond to incentives.
2. There are always trade-offs.
3. The cost of something is the benefit you must give up to do that thing.
4. Rational people should make decisions on the margin.
5. Markets are an efficient way to organize economic activity.
6. Sometimes markets can fail, and then it may be possible for the government to improve the situation – but not always!
7. Trade can make everyone better off.
8. There is a trade-off between unemployment and inflation.

9. Printing too much money can create inflation.
10. Government has a responsibility to stabilize the economy's performance.

Now, why should you care about mastering the material in this course?

1. If you are interested in a career in management, finance, marketing, operations, consulting, etc., economics provides much of the foundation for these fields.
2. If you want to pursue a graduate degree in business, law, economics, statistics, banking, finance, marketing, public policy, sociology, international affairs, etc., economics is usually required and very helpful.
3. If you want to open your own business some day, economic principles could be very useful to you.
4. Many people say that studying economics has helped them to make better decisions in their lives and to understand the world around them more completely.

I would also suggest that you read as many of the following publications as frequently as possible: *The Wall Street Journal*; *Business Week*; *The Financial Times*; *The Economist*.

Your grade will be determined as follows:

- Quizzes 30%
- Project #1 15%
- Project #2 15%
- Final Exam 40%

Topics:

• <u>Lecture #1:</u>	Principles of Economics Economic Models International Trade (Chapters 1, 2, 3)
• <u>Lecture #2:</u>	International Trade (Cont'd) Markets – Supply and Demand (Chapters 3, 4)
• <u>Lecture #3:</u>	Supply and Demand – Welfare Economics Elasticities (Chapters 4, 5, 6, 7, 8)
• <u>Lecture #4:</u>	Cost of Production Market Structure (Chapters 13, 14, 15)

• Lecture #5: Market Structure
Market Failure
(Chapters 16, 10, 11)

• Lecture #6: Measuring Economic Performance
GDP, Unemployment, and Inflation
(Chapters 23, 24)

• Lecture #7: The Economy in the Long-run
(Chapters 25, 26, 28)

• Lecture #8: The Economy in the Short-run
(Chapters 33, 34)

• Lecture #9: Fiscal Policy
Money and Banking
(Chapter 34)

• Lecture #10: Central Banking
Monetary Policy
(Chapters 29, 30)