

# PRINCIPLES OF ECONOMICS

Jiaming Mao

Xiamen University

OFFICE: D303 Economics Building

OFFICE HOUR: Thu 2:00 - 4:00pm or by appointment

EMAIL: [jmao@xmu.edu.cn](mailto:jmao@xmu.edu.cn)

ASSISTANT: Yuanyuan Cheng

EMAIL: [yuanyuan\\_cheng@qq.com](mailto:yuanyuan_cheng@qq.com)

ASSISTANT: Na Li

EMAIL: [1020950694@qq.com](mailto:1020950694@qq.com)

COURSE HOMEPAGE:

- MAIN: [jiamingmao.github.io/principles-of-economics](https://jiamingmao.github.io/principles-of-economics)
- HOMEWORK: [l.xmu.edu.cn](http://l.xmu.edu.cn)

## COURSE DESCRIPTION

This course provides an introduction to the principles and theories of Economics. The course is split between the study of microeconomics, which focuses on the decision making of individuals and firms, and the study of macroeconomics, which examines the behavior of aggregate economic variables such as output, consumption, inflation, and unemployment. The goal of the course is to equip students with a fundamental understanding of how the economy works and allow them to apply basic economic theories and intuition to analyze real life problems. The course serves as a foundation for intermediate micro- and macroeconomics.

## TEXTBOOK

**Main** Gregory Mankiw, *Principles of Economics*, 8<sup>th</sup>-ed., Cengage Learning, 2017

## REQUIREMENTS AND GRADING

<b>Final Grade</b>	Homework	30%
	Experiment	10%
	Midterm Exam	30%
	Final Exam	30%

**Participation** Active participation in class discussion is encouraged and will be considered toward the final grade.

**Homework** Homework assignments will be given throughout the semester. You are encouraged to discuss homework with your classmates, but must prepare your assignments individually. Late homework will not be accepted unless you have documented family or medical emergencies.

**Experiment** After each experiment, you are required to write a summary report that describes the main idea of the experiment and how the experiment outcomes compare with theoretical predictions.

**Exams** There will be one midterm and one final exam. The exams will cover materials in the textbook as well as in lecture notes and supplementary readings. If you have to miss any exam due to family or medical reasons, you should inform me *prior to* the exam and provide verifiable documentation. In these cases, no makeup exams will be given and your final grade will be based on the rest of your exams and homework scores.

## COMPUTING

**Git and Github** The materials for this course are hosted on [Github](#). Since the course materials are continually updated throughout the semester, it is recommended that you **fork** this repository, and regularly sync it with the original. [This tutorial](#) walks you through the steps to do so.

**R** R is a programming language for statistical computing. Throughout the semester, we will be using R to conduct basic data analysis. See [here](#) for an introduction to R.

**Markdown** Markdown is a lightweight markup language for writing documents using an easy-to-read, easy-to-write plain text format, which can then be rendered into **html**, **pdf**, and other formats. In this course, it is recommended that you write your homework and experiment reports using the **markdown** language. For assignments that involve data analysis, you should write your homework in **R markdown**, which allows you to include R codes and automatically generate their output.

## COURSE SCHEDULE

### 1. What is Economics

- (a) What is Economics

### 2. How Markets Work

- (a) Supply and Demand
- (b) Elasticity

### 3. Welfare Economics

- (a) Welfare Economics

### 4. Public Economics

- (a) Taxation
- (b) Public Goods and Common Resources
- (c) Externalities

### 5. Information Economics

- (a) Information Economics

### 6. The Data of Macroeconomics

- (a) National Accounts
- (b) Cost of Living

### 7. Real Economy in the Long Run

- (a) Productivity and Growth
- (b) Savings, Investment, and the Financial System

### 8. Open Economy Macroeconomics

- (a) Open Economy Macroeconomics