United States Naval Academy

**Department of Economics**

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# FE210 Introductory Economics FALL 2023 (AY 2024)

# Instructor: Lieutenant Commander Christopher Manning

E-mail: [cmanning@usna.edu](mailto:cmanning@usna.edu), cjm263@georgetown.edu

Phone: x3-6893 (office), 410-212-5105 (cell)

Office: MI355

Office Hours: By appointment

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**Academic Integrity:** Midshipmen Honor Concept: “Living honorably is central to the character of a Midshipman”. Academic integrity will be strictly enforced! While students may work together on homework assignments, each student is responsible for completing his or her own work. **The use of generative AI, such as ChatGPT, is not authorized for any assignments.**

**Prerequisites**: None.

**Required Text**: *Principles of Economics by Dirk Mateer and Lee Coppock, 3rd edition. W.W. Norton & Company* Lecture order will generally follow the textbook. Students are highly encouraged to read the applicable chapter prior to the lecture and are *required* to read the applicable chapter after the lecture. As a result, *it is imperative that you have the course textbook*.

**Course Description:** The goal of this three-credit course is to introduce various economic theories and how they might be applied to contemporary problems. Topics we will cover include supply and demand, determination of gross domestic product, price theory and market equilibrium, monetary and fiscal policy, unemployment, inflation and international trade.

**Learning Objectives:** Have a very good understanding of basic economics including:

- micro & macro topics

- tradeoffs & opportunity cost  
- gains from trade; comparative & absolute advantage

- supply and demand concepts

- impact of price floors and price ceilings on markets

- diminishing marginal product and profit maximization rule

- requirements for a perfectly competitive market and impacts of barriers of entry, natural monopolies, and market power on a proper functioning market.

- economics of scale

- behavior economics

- production and costs for firms

- positive and negative externalities and market failure

- GDP, growth, and unemployment rate

- inflation and deflation

- aggregate supply, aggregate demand, short and long run timeframes

- savings & the market for loanable funds

- functions of money in a modern economy & how Federal Reserve adjusts Money Supply

- monetary and fiscal policy; role of the government in the economy

- international economics

**Grades:** Your course grade is based on total points accumulated on:

1. Midterm Exam – 100 points
2. Final Exam – 100 points
3. Podcast Review – 50 points
4. One Mainstream Article Review – 50 points
5. Class Paper/Presentation – 100 points

**Grading Scale:** There will be a total of 400 points possible in this course. Your final letter grade will be based on the following scale - expressed as a percentage of 400 points:

A(93-100%) A-(90-92%) B+(87-89%) B(83-86%) B-(80-82%) C+(77-79%) C(73-76%) C-(70-72%) D+(67-69%) D(60-66%) F(59% and below)

**Exams:** All exams consist of short answer, essays, and problems. Using calculators in text mode or to access programmed material during exams is not permitted.

**Missed Exams:** If it is necessary to miss an exam, the student must contact me (**before** the exam if possible) to be officially excused. Any student missing an exam without an official excuse will receive a grade of zero for that exam. At the instructor’s discretion, any student missing an exam with an official excuse will either take the exam at an alternative time or have the other exams weighted accordingly.

**Paper/Presentation**: Each student will submit a paper (approximately 4-6 pages) detailing and supporting a position on a relevant Economics question. Effective papers will support their position with properly cited evidence, detail the biggest weakness with that position, and successfully defend its position against that weakness. Additionally, each paper should cite readings/resources not assigned to the class, and present some “light” statistical analysis in support of the paper’s position. The final paper will be due on the day of the presentation.

Your goal is to craft a paper that can clearly explain your position to a person who has never taken an economics course (which will be the case for many of your future employers/coworkers); as such you may have to include some background information in order for your summary to make sense.

At the least, your paper should:

• Cite articles about the topic,

• Provide a description of the evidence, findings, and conclusions of the articles,

• Note any points you find particularly important, compelling, or unconvincing,

• Identify any important questions you feel remain open,

• Summarize the ultimate conclusion you take.

The “technical” requirements for your paper are as follows:

• The paper should be legibly spaced with reasonable margins and font size (if you feel you have to ask, they are probably not reasonable).

• You may use whatever accepted citation method you are most comfortable with (parenthetic, endnote, footnote, etc.), but you must be consistent with your method.

Some suggestions you may want to keep in mind include:

• Use your introductory paragraph to provide a well-crafted overview of your position. The better the introduction, the easier a paper is to read. To this end, writing the introduction last is often a good idea.

• Use the tools and knowledge you have acquired in this course to think about the issues raised by the articles. Use of analytic graphs and models to explain points is highly encouraged (though you needn’t conduct any original analysis). Again, any pages devoted strictly to this type of analysis can be placed in an appendix, and will not count against your page total.

The structure of the presentations is flexible, and they can be organized however YOU deem appropriate. However, each presentation must, at a minimum:

• Introduce evidence/findings from readings or resources not assigned to the class

• Support their assertions with economic models and/or evidence as necessary

• Present some “light” analysis of data supporting their point

• Be 5-10 minutes long

**Podcast Review:** Pick a podcast and write a one to two page summary of the podcast. This paper is a way to show that you are able to use what you have learned in this course to evaluate and analyze a topic in economics. This is intended to be more of a summary and analysis rather than generating “new” insights or content. You are encouraged to think critically about the podcast’s methodologies and conclusions. Be prepared to speak to the class about your paper. This is not a formal presentation, but to get our discussion started. Once again you get to choose which topic interests you, so please pick a topic you have an interest or passion for understanding. A list of potential podcasts can be found below:

Podcasts for Review:

Freakonomics Radio http://freakonomics.com/archive/

Episodes:

377: Student Loan Debt

373: Rent Control

367: The Future of Meat

356: America’s Hidden Duopoly

348: Government More Entrepreneurial than You Think

295: When Helping Hurts

285: The War on Sugar

265: White House in the Nudge Business

231: Is Migration a Basic Human Right?

188: Is America’s Education Problem a Teacher Problem?

120: 100 Ways to Fight Obesity

NPR Planet Money https://www.npr.org/sections/money/

Episodes:

909: Dollar Stores vs Lettuce

903: A new way to pay for College

869: Student Loan Whistle Blower

856: Yes in my Backyard

472: 1 Page Plan to Fix Global Warming

796: The Basic Income Experiment

Other Podcasts to Consider

Wall Street Journal Your Money Briefing: https://www.wsj.com/podcasts/your-money-matters

Economist Money Talks: https://www.economist.com/topics/podcasting

**One Popular Article Review**: Pick one article throughout the semester and write a one to two page summary of the article. This paper is a way to show that you are able to use what you have learned in this course to evaluate and analyze a topic in economics. This is intended to be more of a summary and analysis rather than generating “new” insights or content. Be prepared to speak to the class about your paper. A list of potential sources includes The Economist, Wall Street Journal, Washington Post and New York Times.

**Homework**: There will be 5 problem sets assigned throughout the semester. The due dates and content of the problem sets will be determined by the pace of the course, and will be announced in class. All assignments will be posted on the web for you to download if you are not in class. You should always check to see if an assignment has been made. I will give you at least a week between when a problem set is assigned and when it is due. You are not only allowed, but also encouraged to work on the problem sets in groups of up to 4 students. Working in groups can be an immensely valuable learning technique, as discussing problems with your peers will help to develop and reinforce your understanding of the material. But remember that it is your responsibility to ensure you understand each problem. As such, you should not simply trust that your group got the correct answer, but strive to understand the how and why behind the answer. If you do work in a group, please submit only one problem set for the group (unless your answers differ substantially from the group’s). Please note that the problem sets are mainly for your benefit, and are offered as a way for you to make sure you are keeping up with the course. As such, the grades earned on them are of less importance than the practice and application of the material they provide. Please note I will randomly call on students to answer problem set questions on the board. Problem sets that show a significant level of effort will earn full credit.

**Extra Credit:** Under no circumstances will I give extra credit to individual students. However, during the course of the semester there may be optional class exercises in which extra credit may be earned.

**Recommended Daily Reading:**

The Economist

Wall Street Journal

Washington Post

New York Times

**Recommended Journals:**

The Quarterly Journal of Economics

Journal of Political Economy

American Economic Review

**Extra Instruction:** I am here to help you through the material and more than happy to provide E.I. It is very simple: send me an e-mail with proposed times for consultation which fits your schedule and I will do my best to meet with you. I am also happy to schedule meeting times with groups especially around exam time.

Please inform me as soon as possible if you are having problems with the material. It is my responsibility for everyone to learn the material and I take this very seriously. If I am not getting the mission accomplished let me know and I will try my best to remedy the situation. I do request that you have specific questions and have attempted to understand the material before coming to see me.

**Contacting Me**: E-mail is the best way to get in touch with me outside of class. I will usually check my e-mail at least twice every weekday and once over the weekend throughout the semester. I will always try to get a quick, clear, and accurate response to any question you e-mail me, but I am only human, so please set your expectations accordingly. Also note that the more specific and precise you are with your emailed questions, the faster and better I will be able to answer them. You may also text or call me at reasonable times (though I may not be available).