**United States Naval Academy**

**Economics Department**

Instructor: CDR (Ret.) Dan McGarvey

Office: Michelson 332

Phone: (704) 904-6589

Email: dmcgarve@usna.edu

Extra Instruction: By Appointment – Generally Available

Textbook: *Essentials of Economics –* Mateer, Coppock, O’Roark – W.W. Norton and Co. 2016

Prerequisites: None

Website: USNA Blackboard

1. **Course Description**

FE 210 is an introductory course in elementary economic theory and its application to contemporary problems. Topics include income determination, monetary policy and institutions, fiscal policy, price theory and international trade. The objective of the course is to arm the student with a sound understanding of both microeconomic and macroeconomic tools and principles. As it may be the only business course some students will be able to take at USNA, we will incorporate elements of finance, accounting and risk management into the curriculum wherever possible.

1. **Learning Objectives:** Upon completion of this course, students should:
2. Describe the concepts of trade-offs, opportunity cost, comparative advantage, and decisions made at the margin
3. Explain the production possibilities frontier and how economies can engage in trade to improve their standard of living.
4. Understand the concepts of supply and demand, what is indicated by their intersection, and the types of forces that can cause a curve to shift. Be able to demonstrate and explain various shifts.
5. Explain the impact of price floors and price ceilings on society’s willingness to produce a good or service.
6. Describe the role Diminishing Marginal Product and the Profit Maximization Rule play in determining the ideal mix of labor and capital a firm should use.
7. Outline the requirements for a perfectly competitive market, and the impacts of barriers to entry, natural monopolies, and market power on the proper functioning of a market.
8. Be able to thoughtfully articulate the concept of Economies of Scale.
9. Describe the concept of Bounded Rationality and how it is relevant to economic modeling.
10. Explain the concept of Externalities in economics and give examples of positive and negative externalities and how their existence can lead to Market Failure.
11. Define the concepts of Gross Domestic Product (including both Real and Nominal GDP), Unemployment Rate, Frictional Unemployment, and Structural Unemployment. Be able to list the components of GDP.
12. Define what is meant by Inflation, Deflation, Stagflation and describe the economic circumstances that give rise to each one.
13. Be able to explain the macroeconomic concepts of Aggregate Supply, Aggregate Demand, and Short Run and Long Run timeframes. Explain why the impact of an economic shift often differ in the short run and long run?
14. Explain the importance of a market for loanable funds to GDP growth in an economy. Describe the factors that can shift the supply of and demand for loanable funds.
15. List the three functions of Money in a modern economy, and the factors the Federal Reserve employs to adjust the Money Supply.

**C. Textbook**

*Essentials of Economics*  Mateer, Coppock, and O’Roark – W. W. Norton and Co. 2016. New, used or online will work equally well depending upon your preference.

**Conduct Policy**

1. Conduct – Be professional and respectful; you should therefore carry yourself with professionalism at all times. Take responsibility for all that you do OR fail to do. Above all, respect your classmates by logging in on time, limiting distractions, and respecting all questions.
2. The online environment requires new courtesies and extra levels of commitment and professionalism. We’ll figure it out as we go, but in general for any online classes try to identify a location where you will have limited distractions. Remain on mute during lecture periods, but do not hesitate to interrupt with questions.
3. Cheating – Academic dishonesty in any form will not be tolerated and will result in a zero for all work encompassed. Additionally, academic dishonesty will be addressed in accordance with the Brigade Honor Concept.
4. **Formal Requirements**

**Exams:** There are 2 in-term exams and one final exam (the final covers material for the entire course).If you know you are going to miss an exam (for an officially sanctioned reason), TELL ME AT LEAST A WEEK BEFORE the date of the exam.

Tentative Exam Dates:

Exam 1: Sept 22nd

Exam 2: Nov. 3rd

Final: TBD (Begin Dec 8th)

**Homework:** Economics is akin to learning a new language, coupled with exercising and developing quantitative skills. Both require reading and repetition. I expect that each of you will read the pertinent parts of the textbook before class. **There are 18 homework assignments.** Economics is akin to learning a new language, coupled with exercising and developing quantitative skills. Both require reading and repetition. I don’t expect you to know everything on day one, but I will expect that each of you will read the pertinent parts of the textbook. Your lack of knowledge or participation will have a direct impact on your grade. You are required to turn in your own work on homework assignments. You can *collaborate* with your classmates while working on the problem sets, but you must turn in your own work.

If you will be absent from class, please let me know before or as soon as possible after the miss. It is your responsibility to ask a classmate about what material you missed. Not knowing that homework was assigned is not an acceptable excuse for late submission. I will drop your lowest homework grade from your final class grade.

Late homework policy: I expect you to be submit your homework on time and I hope that this doesn’t become an issue during the semester. If you happen to submit your homework late for any reason, you will receive a maximum possible score of 80% on the assignment. As officers, you will be expected to complete tasks on time, and the USNA is no different.

**Grades:** Your course grade is based on the following percentages:

* Midterm 1 25 percent
* Midterm 2 25 percent
* Final Exam 25 percent
* Homework Assignments (18) 10 percent
* Project 5 percent
* Class Participation 10 percent

**Grading Scale:** Your final letter grade will be based on the following scale:

A (90-100%) B (80-89%) C (70-79%) D (60-69%) F (59% and below)

This grading scale is absolute (there will be no “curve”). Everyone can get an A or everyone can get an F. A grade will be rounded up if the fractional part of the final average is equal to or above .5.

Instructor Discretion: I reserve the right to adjust (up or down) your final grade up to 5% based on my judgment of your professionalism and effort in this course. Participation is a major factor in this category – and is especially important for any online portion of the course.

**Extra Credit:** During the course of the semester there may be optional class exercises in which extra credit may be earned.

**Extra Instruction:** Please make an appointment for EI. I expect that you will be prepared for EI – have a specific question(s), have attempted an assignment, etc. – this will help guide the session.

1. **Plagiarism**

|  |
| --- |
| Students are reminded that plagiarism is the presentation of another’s work as one’s own. Plagiarism is the most serious example of academic dishonesty. Plagiarism and proper documentation techniques are discussed in The Longman Handbook for Writers and Readers. Any student found to have plagiarized either all or part of a course paper will receive a grade of zero and be charged with violation of the Honor Concept. |

Issues with plagiarism often arise out of our own confusion about what constitutes the offense. We will discuss these issues as the course progresses and a guideline with respect to the homework will be provided in class. In the meantime, for reference I provide below the USNA Statement on Plagiarism.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

USNA STATEMENT ON PLAGIARISM

Academic plagiarism is the use of the words, information, insights, or ideas of another without crediting that person through proper citation. Unintentional plagiarism, or sloppy scholarship, is academically unacceptable; intentional plagiarism is dishonorable. You can avoid plagiarism by fully and openly crediting all sources used.

GUIDELINES

1. Give credit where credit is due. Inevitably, you will use other people's discoveries and concepts. Build on them creatively. But do not compromise your honor by failing to acknowledge clearly where your work ends and that of someone else begins.

2. Provide proper citation for everything taken from others. Such material includes interpretations, ideas, wording, insights, factual discoveries, charts, tables, and appendices that are not your own. Citations must guide the reader clearly and explicitly to the sources used, whether published, unpublished, or electronic. Cite a source each time you borrow from it.

3. Recognize the work of others even if you are not borrowing their words. Theories, interpretations, assessments, and judgments are all intellectual contributions made by others and must be attributed to them.

4. Paraphrase properly. Paraphrasing is a vehicle for conveying or explaining a source's ideas and requires a citation to the original source. A paraphrase captures the source's meaning and tone in your own words and sentence structure. In a paraphrase, the words are yours, but the ideas are not. It should not be used to create the impression of originality.

5. Cite sources in all work submitted for credit. Your instructor may also require you to identify the contributions of others in drafts you submit only for review. Ask your instructor for his or her citation requirements and any discipline-specific attribution practices.

6. Be cautious when using web-based sources, including Internet sites and electronic journals. There is a common misperception that information found on the Internet does not need to be cited. Web-based information, even if anonymous, must be appropriately cited. Do not cut and paste or otherwise take material from websites without proper citation. When in doubt, provide a citation.

**FE-210 Fall 2020 Syllabus**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Topic** | **Reading** | **Homework/Notes** |
|  |  |  |  |
| **Thurs Aug. 20th** | **Course Intro** | **None** |  |
| **Tues Aug 25th** | **Thinking like an Economist** | **Chapter 1** | **Homework 1** |
| **Thurs Aug 27th** | **Financial Decisions** | **Handout** | **Worksheet** |
| **Tues Sept 1st** | **Comparative Advantage and Trade** | **Chapter 2** | **Homework 2** |
| **Thurs Sept 3rd** | **Supply and Demand** | **Chapter 3** | **Homework 3** |
| **Tues Sept 8th** | **No class** | **Monday sched.** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Thurs Sept 10th** | **The Efficient Market** | **Chapter 4** | **Homework 4** |
| **Tues Sept 15th** | **Businesses and Production** | **Chapter 5** | **Homework 5** |
| **Thurs Sept 17th** | **Course Review** | **Chapters 1-5** |  |
| **Tues Sept 22nd** | **Exam Number 1** |  |  |
| **Thurs Sept 24th** | **Exam Review and Project Introduction** |  |  |
| **Tues Sept 29th** | **Market Structures** | **Chapter 6** | **Homework 6** |
| **Thurs Oct 1st** | **Behavioral Economics** | **Chapter 7** | **Homework 7** |
| **Tues Oct 6th** | **Labor and Earnings** | **Chapter 8** | **Homework 8** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Thurs Oct 8th** | **Risk Management and Economic Decisions** | **Handout** |  |
| **Tues Oct 13th** | **Project Presentations** |  |  |
| **Thurs Oct 15th** | **Project Presentations** |  |  |
| **Tues Oct 20th** | **Government and the Economy** | **Chapter 9** | **Homework 9** |
| **Thurs Oct 22nd** | **Introduction to Macroeconomics** | **Chapter 10** | **Homework 10** |
| **Tues Oct 27th** | **Unemployment and Inflation** | **Chapter 11** | **Homework 11** |
| **Thurs Oct 29th** | **Course Review** | **Chapters 6-11** |  |
| **Tues Nov 3rd** | **Exam Number 2** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Thurs Nov 5th** | **Exam Review and Aggregate Supply and Demand** | **Chapter 12** | **Homework 12** |
| **Tues Nov 10th** | **Economic Growth** | **Chapter 13** | **Homework 13** |
| **Thurs Nov 12th** | **Savings and Investment** | **Chapter 14** | **Homework 14** |
| **Tues Nov 17th** | **The Federal Reserve and the Role of Money** | **Chapter 15** | **Homework 15** |
| **Tues Nov 19th** | **Monetary Policy** | **Chapter 16** | **Homework 16** |
| **Tues Nov 24th** | **Fiscal Policy and the Budget** | **Chapter 17** | **Homework 17** |
| **Thurs Nov 26th** | **Thanksgiving Break** |  |  |
|  |  |  |  |
| **Tues Dec 1st** | **International Economics** | **Chapter 18** | **Homework 18** |
| **Thurs Dec 3rd** | **Course Review** | **Chap 12-18** |  |
| **Tues Dec 8** | **Final Exams Begin** |  |  |
| **TBD** | **Final Exam** |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |