

# ECO 108 - INTRODUCTION TO ECONOMICS

## Fall 2017

Department of Economics  
Stony Brook University

**Course code and section:** ECO 108 - section 03

**Instructor:** Tilsa Ore Monago

**E-mail:** [tilsa.oremonago@stonybrook.edu](mailto:tilsa.oremonago@stonybrook.edu)

**Lecture:** Tu & Th 04:00-05:20 pm at Melville Library W4525

**Office hours:** W 2:00-4:00 pm (or by appointment) at SBS Building, Room N602B.

### **Recitations:**

REC R17: Th 2:30-3:23 pm. Melville Library N4006

REC R18: Th 1:00-1:53 pm. Melville Library N4006

**Graduate teaching assistant:** Anzhou Zhang [[anzhou.zhang@stonybrook.edu](mailto:anzhou.zhang@stonybrook.edu)]

Fr. 10:00-12:00m at SBS N-604

## **Course description**

This is a general course that covers both microeconomics and macroeconomics. A special emphasis is given to microeconomics, so almost two thirds of the class will be spent in topics related to it. The topics covered during the class include gains from trade, supply and demand, elasticity, consumer choice, firm theory, market imperfections, the role of the Government, national income accounting, economic analysis of unemployment, inflation, and economic growth; and fiscal and monetary policies.

## **Course objectives**

The main goal of the course is to provide students with basic knowledge of Economics to understand current economic events and news.

At the end of this course, the student is expected to understand and be able to apply basic economic analysis in daily problems, and to comfortably discuss main economic policy issues.

## **Course requirements**

C or higher in MAT 122 or MAT 123 or AMS 151 or level 4 on the Mathematics placement examination.

## Course material

- OpenStax Economics, “Principles of Economics,” OpenStax CNX. May 18, 2016. Available for free at <http://cnx.org/contents/69619d2b-68f0-44b0-b074-a9b2bf90b2c6@11.330> [Required].
- K. Case, R. Fair and S. Oster, “Principles of Economics,” 11th (or newer) edition, McGraw Hill. [Recommended, it is not required].
- Other recommended material includes several articles of The Economist (TE), the New York Times (NYT), Wall Street Journal (WSJ), Daily Mail (DM), the Intelligence (TI), National Public Radio (NPR), the Huffington Post (HP), also audios of Freakonomics (FR), TED talk videos (TED), and useful blogs such as the Gregory’s Mankiw Blog and Paul Krugman’s Blog.
- **Any supplemental material, such as articles, will be posted in Blackboard.**

## Course Format

### Preferred Method of Contact with Instructor

Any question related to the material or session, please submit it in the **Discussion Forum - FAQ section**.

I prefer you to **contact me via email** (at [tilsa.oremonago@stonybrook.edu](mailto:tilsa.oremonago@stonybrook.edu)) **to discuss personal issues ONLY**, which you cannot discuss in the discussion forum. I will answer to your emails as soon as possible, but please allow between 24-48 hours for a response. Please utilize your Stony Brook University email when getting in touch with me as that is the preferred method of contact from the institution.

## Assessment

- |                            |     |
|----------------------------|-----|
| • Reading quizzes          | 15% |
| • Homework assignments     | 25% |
| • Midterm 1 (Tue, Oct 03)  | 20% |
| • Midterm 2 (Tue , Nov 07) | 20% |
| • Final exam (Fri, Dec 15) | 20% |

You will be able to keep track on your course progress of graded activities by checking 'My Grades' on Blackboard.

I will update the online grades each time a grading session has been complete – typically 2 days following the completion of an activity. You will see a visual indication of new grades posted on your Blackboard home page under the link to this course.

## Reading quizzes

The course requires you to read supplemental reading material, namely articles, videos or audios. You will be given **7 biweekly quizzes**, and asked to give short answers to two or three questions regarding some articles or videos/audios.

I expect you to understand the articles and be able to discuss and give economic-based explanations to given problems. With this I want you to develop your critical thinking skills. Most of the times you will have to explain what is the article/audio about **in your own words**, and be asked to give an opinion, in this last part there are not right or wrong answers, but coherent, logical and well explained answers (based on economic arguments).

Please do not write long essays to answer a question; I expect from you a well organized short answer consisting of a paragraph or two – no more than 10 lines in total –. Make sure you answer the questions asked, rather than merely summarizing the article/audio.

Your quizzes must be submitted via **Blackboard**, unless otherwise announced by the instructor, and will be **due at 11:59 pm. (midnight) in Eastern Standard Time (EST) of the given deadlines** shown in Table 2. Only **the best 6 will account for your grade**.

## Discussion forums

Since I am expecting a lot from your answers to the quizzes, we will have many discussion forums through Blackboard. We will be posting questions, we may discuss ideas and opinions about some articles or topic. By the interaction between you, me and the TAs, you will get a better idea on how your answers to the quizzes should be.

The participation in the discussion forums will make a difference for your better understanding of the topics. The forums are also open spaces to ask questions and will be the quickest way to get answers. Participation in the discussion forums are not graded, but it accounts for bonus points at the end of the course.

## Homework assignments

There will be **12 homework assignments (HW)** posted in blackboard every week. These HW will consist on multiple choice questions about concepts and definitions presented during the lectures and the textbook; these questions will also include simple exercises and calculations.

- All HW, unless otherwise announced by the instructor, **MUST** be submitted via Blackboard.
- Homework's submissions will be **due at 11:59 pm EST of the given dates** shown in Table 2.
- You will be allowed to have **up to two attempts** for HW submission before the deadline. If you attempted once, and the deadlines passed, you will not be able to use your second chance.
- **Under no circumstances will late HW be accepted.** Missed HW deadlines cannot be made up.

- **The best 10 HW** you submit will account for your grade.

## Exams

There will be **three exams**, two midterms and one final exam. The **midterm 1 will be on Tuesday October 03**, the **midterm 2 will be on Tuesday November 07**, and the **final exam will be on Friday December 15, 2:15 - 5:00 pm**.

- The midterm exams will test the topics seen in the first and second intervals of the course, respectively. They will consist mostly on multiple choice and multiple answers questions, fill in the blank, matching and it may include a short answer question. Topics will include all readings, homework and discussion forums (if any) until that point in the course.
- The final exam will test the topics discussed in the last interval of the course. It will consist mostly on multiple choice questions, multiple answer questions and it may include a short answer question.
- **There will be no make-up exams if you missed the deadlines.**

**IMPORTANT:** If at any point you should encounter any technical issues, please send an email to [blackboard@stonybrook.edu](mailto:blackboard@stonybrook.edu), they can also be reached by telephone at 632-2777. You should also copy me on this email so that I am aware of the situation and if possible include a screen-shot of the issue.

## Attendance

Attendance is **mandatory** the first month of the semester. After such period, it will not be mandatory, but highly recommended. Most of the material explained during class will be close related with what you will be asked in your homework assignments and exams. Given the objectives of the course, students are encouraged to participate in class discussions. Moreover, class attendance and participation above 80% of the classes will be rewarded with bonus pints at the end of the course.

Table 1: Letter Grade Assignment

Letter Grade	Percentage	Performance
A	91-100%	Excellent
A-	86-90%	Very Good
B+	81-85%	Good
B	76-80%	Mostly Good
B-	71-75%	Above Average
C+	67-70%	Average
C	63-66%	Mostly Average
C-	58-62%	Below Average
F	0-58%	Failed

## **Grades and grading scale**

Letter grades assigned for this course will be based on the percentage of weighted average points earned (see Table 1). All course requirements must be completed before a grade is assigned.

## **Academic Policies**

### **Academic integrity**

Each student must pursue his or her academic goals honestly and be personally accountable for all submitted work. Representing another person's work as your own is always wrong. Faculty are required to report any suspected instances of academic dishonesty to the Academic Judiciary. Faculty in the Health Sciences Center (School of Health Technology & Management, Nursing, Social Welfare, Dental Medicine) and School of Medicine are required to follow their school-specific procedures. For more comprehensive information on academic integrity, including categories of academic dishonesty, please refer to the academic judiciary website at <http://www.stonybrook.edu/uaa/academicjudiciary/>.

### **Critical Incident Management**

Stony Brook University expects students to respect the rights, privileges, and property of other people. Faculty are required to report to the Office of Judicial Affairs any disruptive behavior that interrupts their ability to teach, compromises the safety of the learning environment, or inhibits students' ability to learn. Faculty in the HSC Schools and the School of Medicine are required to follow their school-specific procedures.

**University Student Conduct Code** can be found at <http://studentaffairs.stonybrook.edu/ucs/docs/universitystudentconductcode.pdf>.

### **Disability Support Services (DSS) Statement**

If you have a physical, psychological, medical or learning disability that may impact your course work, please contact Disability Support Services, ECC (Educational Communications Center) Building, room 128, (631) 632-6748. They will determine with you what accommodations, if any, are necessary and appropriate. All information and documentation is confidential. Students who require assistance during emergency evacuation are encouraged to discuss their needs with their professors and Disability Support Services. For procedures and information go to the following website: <http://www.stonybrook.edu/ehs/fire/disabilities>]

### **Course Materials and Copyright Statement**

Course material accessed from Blackboard, SB Connect, SB Capture or a Stony Brook Course website is for the exclusive use of students who are currently enrolled in the course. Content from these systems cannot be reused or distributed without written permission of the instructor and/or the copyright holder. Duplication of materials protected by copyright, without permission of the copyright holder is a violation of the Federal copyright law, as well as a violation of Stony Brook's Academic Integrity and Student Conduct Codes.

## Communication Competency

You convey a certain image of yourself every time you express yourself-whether it's through the written or spoken word. As such, successful professionals (students, managers, employees) must have effective written and oral communication skills. Therefore, communication errors (such as improper grammar, improper sentence and paragraph structure, misspelling and incorrect punctuation) are unacceptable in coursework throughout. Faculty members also consider communication competency when evaluating student performance in addition to coursework.

### Email and Internet

You must have an active Stony Brook University e-mail account and access to the Internet. All instructor correspondence will be sent as announcements in BB or to your SBU e-mail account. Please plan on checking BB course site and your SBU email account regularly for course related messages.

## Technical Requirements

This course requires that you have access to the Internet. You are responsible for having a reliable computer and internet connection throughout the course. You will need to have access to, and be able to use the following software packages

- A web browser (for instance, Google Chrome, Mozilla Firefox or Internet Explorer)
- Respondus browser (free) [it may be required for the exams if they are given in an online format]
- Adobe Acrobat Reader (free)
- Adobe Flash Player (free)
- Microsoft Word, PowerPoint and Excel (free to Stony Brook University students, go to <https://it.stonybrook.edu/software/title/microsoft-office>)

*Please note! You will be limited if you expect to complete your work on a smart phone or tablet.*

## Getting Technical Help

### Campus Network or Blackboard Outage

When access to Blackboard is not available for an extended period of time (greater than one entire evening - 6pm till 11pm) you can reasonably expect that the due date for assignments will be changed to the next day (assignment still due by midnight).

## Academic Support

- SPD Subject Guides - The SPD Subject Guide is a library website specifically designed to assist SPD students with their research. It contains all of the information referenced

on this Blackboard page as well as recommendations for specific databases and a live librarian chat feature. Take a look: <http://guides.library.stonybrook.edu/spd>

- Student Support for Online Learning - <http://www.stonybrook.edu/commcms/onlineed/student.html>
- SBU Library Research Guides and Tutorials <http://library.stonybrook.edu/research/research-basics/>
- Library Instruction Website - <http://library.stonybrook.edu/workshops-this-week-citation-skills-worldcat-and-endnote-the-hsc/>

## Subject to Change Notice

All material, assignments, and deadlines are subject to change with prior notice. It is your responsibility to stay in touch with your instructor, review the course site regularly, or communicate with other students, to adjust as needed if assignments or due dates change

## Syllabus Disclaimer

The instructor views the course syllabus as an educational contract between the instructor and students. Every effort will be made to avoid changing the course schedule but the possibility exists that unforeseen events will make syllabus changes necessary. The instructor reserves the right to make changes to the syllabus as deemed necessary. Students will be notified in a timely manner of any syllabus changes face-to-face, via email or in the course site Announcements. Please remember to check your SBU email and the course site Announcements often.

## Course structure

### Topic 1: Overview of Economics and the economic problem

The scope and method of Economics; The Economic Problem: Scarcity and choice; Economic Models, the circular-flow diagram, the Production possibilities frontier; Opportunity cost, Economic growth; Comparative advantage and the Gains from trade (CFO Ch. 1-2, 32, & 34 ; OS Ch. 1-2 & 33-34)

#### *Supplemental material:*

- A1. TE- “The Economist explains why trams are a waste of money”
- A2. TE- “Nice work if you can get out: Why the rich now have less leisure than the poor”
- A3. NBER- “Why high earner work longer hours”
- A4. NYT- “Filling the Gap Between Farm and Fair Trade ”
- A5. TE - “Artificial intelligence: Million-dollar babies”

**Topic 2: Models of Supply and Demand**

Demand, Supply and Market Equilibrium; Consumer surplus, Elasticity . (CFO Ch. 3-5; OS Ch. 3 & 5)

*Supplemental material:*

- A6. NYT- "Cereal begin to lose their snap, crackle and pop"
- A7. TI- "Price of Nutella could rise after poor weather devastated hazelnut crops"
- A7a. TE- "American marriages: Demand, meet supply"
- A7b. NPR- "The Economic Reality Of Tough Immigration Laws"
- A8. NPR- "A Former Crack Kingpin On The Economics Of Illegal Drugs" (Article and audio)
- A8a. "The Big Business Of Black Markets"

**Topic 3: The Market system: consumer choice and firm behavior**

Consumer choice; the production process and firm behavior (profit maximization behavior); Costs of production and output decisions in the short and long run, short-run supply curve; General Equilibrium and Perfect Competition (CFO Ch. 6-9,12 ; OS Ch. 6-8)

*Supplemental material:*

- A9. TE- "Longer jail sentences do deter crime, but only up to a point"
- A9a. TE- "You choose"
- A10. DM- "Cell phones slowing down service in restaurants. Wait times have doubled because customers are too busy with their screens"
- A11. NYT- "As Gas Costs Soar, Buyers Flock to Small Cars"

**Topic 4: Market imperfections and the role of government**

Monopoly, Oligopoly, Monopolistic competition, and Natural monopolies; Antitrust policy; Externalities; Public goods; Uncertainty, Asymmetric information. (CFO Ch. 13-17; OS Ch. 9-13 & 16)

*Supplemental material:*

- A12. TE- "A lack of competition means high air fares"
- A13. NYT- "Hachette says Amazon is delaying delivery of some books"
- A14. NYT- "Amazon's tactics confirm its critics' worst suspicions"
- A15. NYT- "Antitrust cry from Microsoft"
- A15a. CNN - "DOJ's Microsoft prosecutor: Google is a monopoly"
- A16. HP- "Taking on Google's monopoly means regulating its control of user Data"



A16a. TE - "The rise of the superstars"

A16b. TE - "A giant problem"

A17. FR- "How to Make People Quit Smoking" (Audio - podcast)

### **Topic 5: Factor markets and income distribution**

Factor markets, Income distribution and Poverty. (CFO Ch. 10 & 18; OS Ch. 4, 14 & 15)

*Supplemental material:*

A18. WEF- "Deepening income inequality"

A19. IMF- "Treating Inequality with Redistribution: Is the Cure Worse than the Disease?"

A20. TED- "Social experiments to fight poverty" talk given by Esther Duflo (video)

A20a. TE- "Minimum wages- Employment down and productivity up"

A20b. BBC - "Will Machines eventually take on every job"

### **Topic 6: Concepts and problems in Macroeconomics**

Overview of Macroeconomics; Measurement of total output (GDP); Unemployment, inflation and Growth. (CFO Ch. 20-22; OS Ch. 19-22)

*Supplemental material:*

A21. TE- "How to measure prosperity"

A22. NYT- "The Mystery of Spain's Perpetual Jobs Problem"

A23. NYT- "This Is the Job Market We've Been Hoping for All These Years"

A23a. TE- "The return of the machinery question"

A24. TE- "Germany's hyperinflation-phobia"

A25. TE- "The world's biggest economic problem: Deflation in the euro zone is all too close and extremely dangerous"

### **Topic 7: Macroeconomic theory**

Aggregate Expenditure and Equilibrium Output; Government Spending; Fiscal Policy; Money Supply and Demand; Monetary Policy; Fiscal and Monetary Policy Combined; Inflation: Aggregate Demand and Supply. (CFO Ch. 23-28; OS Ch. 24-27, 28 & 30-31)

*Supplemental material:*

A26. TE- "Fiscal policy in developing countries: Multiplier maths"

A27. TE- "Monetary policy: When will they learn?"

A28. TE- "If the Fed wants more inflation, it should say so"

A29. WEF- "Digital currency"

Table 2: Class Schedule Fall 2017

Week & Dates	Topics	Book Chapters CFO	HW deadline
1: Aug 29 & 31	The scope of Economics, The Economic problem Scarcity and Opportunity cost, Production Possibilities Frontier PPF, Economic Growth, Gains from Trade	1 & 2	
2: Sep 05 & 07	Gains from Trade	32 & 34 (pp 665-670)	HW1: Sep 5 RQ1: Sep 08
3: Sep 12 & 14	Demand, Supply, Market Equilibrium, and Applications	3 & 4	HW2: Sep 12
4: Sep 19 & 21	Elasticity, Consumer Choice	5 & 6	HW3: Sep 19 RQ2: Sep 22
5: Sep 26 & 28	Firm choice, Firm Profit maximization, costs of production, output decisions	7 (pp 147-156), 8 (pp 167-185) & 9 (pp 189-195)	HW4: Sep 27
	Output decisions, supply curve	9 (pp 189-195) 12	
	General Equilibrium and perfect competition		
6: <b>Oct 03</b> & Oct 05	<b>Midterm 1</b> Monopoly		RQ3: Oct 06
7: Oct 10 & 12	Oligopoly, Monopolistic competition, Antitrust policy	& 13 (pp 269-285, 287) 14 (pp 293-300, 306-310) & 15	HW5: Oct 10
8: Oct 17 & 19	Externalities, Public Goods	16	HW6: Oct 17 RQ4: Oct 20
9: Oct 24 & 26	Uncertainty and Asymmetric information	17	HW7: Oct 27
10: Oct 31 & Nov 02	Factor markets (labor and land markets), Income distribution and Poverty	10 & 18	HW8: Nov 03 RQ5: Nov 03
11: <b>Nov 07</b> & Nov 09	<b>Midterm 2</b> Overview of Macroeconomics, Measurement of total output	20	
12: Nov 14 & 16	Unemployment, Inflation and Growth Aggregate Expenditure and Equilibrium Output	21 & 22	HW9: Nov 15 RQ6: Nov 17
13: Nov 21 & Nov 23	Government Spending: Fiscal Policy <i>Thanksgiving</i>	23 & 24	HW10: Nov 22
14: Nov 28 & 30	Money Supply and Demand, Monetary Policy Fiscal and Monetary Policy Combined	25 & 26	HW11: Nov 30 RQ7: Dec 01
15: Dec 05 & 07	Aggregate Demand and Supply: Inflation Course Review	27 & 28	HW12: Dec 06
16: <b>Dec 15</b>	<b>Final exam</b>		