

SS201 AY 23-2 Syllabus

LSN	Date	Topic/Event	Covered Material	Learning Objectives	Econ Leader Principles	Assignment Notes
Microeconomics Block I						
1	Day 1: 11 JAN Day 2: 10 JAN	Economic Principles	Chapter 1 The Economic Leader Introductory Note	<ul style="list-style-type: none"> Explain how people make decisions. Explain how people interact. Explain how an economy works. 	ALL	
2	Day 1: 13 JAN Day 2: 12 JAN	Economic Methods, Models, and Gains from Exchange	Chapter 2 (including appendix) Chapter 3	<ul style="list-style-type: none"> Recognize that economists use models based on the scientific method to make predictions and that these models are simplifications of reality. Understand the role of empirical (data) analysis in evaluating economic models and the distinction between correlation and causation. Develop the production possibility frontier to characterize tradeoffs and opportunity cost. Distinguish between absolute advantage and comparative advantage. Explain how comparative advantage forms the basis for specialization and trade. 	1 & 4	
3	Day 1: 18 JAN Day 2: 17 JAN	Consumer Choice Theory	Chapter 21 (21-1 thru 21-3e)	<ul style="list-style-type: none"> Graphically depict the consumer's budget constraint between two goods and explain what factors lead to a shift in the budget constraint. Explain the four properties of indifference curves and how they represent consumer preferences. Describe how a consumer optimizes choices when faced with income and price changes. Understand how a consumer's demand curve is derived from their budget constraint and indifference curves. 	1, 2	
4	Day 1: 20 JAN Day 2: 19 JAN	Consumer Choice Theory Application	Chapter 21 (21-4)	<ul style="list-style-type: none"> Understand how wages affect the labor supply decision based on work-leisure preferences. Understand how the time value of money factors into household consumption-savings decision based on interest rates. Explain the concept of a discount rate as an opportunity cost. 	1, 2	
5	Day 1: 23 JAN Day 2: 24 JAN	The Market Forces of Supply and Demand	Chapter 4 (4-1 thru 4-3c)	<ul style="list-style-type: none"> Describe the four characteristics of a perfectly competitive market. Describe how the law of demand relates the price of a good or service to the quantity demanded by consumers. Explain what variables (determinants) lead to a shift of the demand curve or a movement along the demand curve. Describe how the law of supply relates the price of a good or service to the quantity supplied by producers. Explain what variable (determinants) lead to a shift of the supply curve or a movement along the supply curve. 	2	
6	Day 1: 26 JAN Day 2: 27 JAN	Market Equilibrium	Chapter 4 (4-4 - end)	<ul style="list-style-type: none"> Describe and graphically depict conditions that result in a market surplus or shortage. Describe and graphically depict how prices adjust to bring markets into equilibrium. Describe and graphically depict how changes in the determinants of demand and/or supply change the market equilibrium. 	3	
7	Day 1: 30 JAN Day 2: 31 JAN	Elasticity	Chapter 5	<ul style="list-style-type: none"> Understand elasticity as the way economists measure how much quantity demanded or supplied changes when price or income changes. Know the mathematical definition of elasticity as the ratio of percent change in quantity to percent change in price (or income). Understand the relationship between price elasticity and the shape of the demand or supply curve. Understand the determinants of price and income elasticities. Calculate point elasticity using the derivative of the supply or demand curve (Not in textbook). 	6	Problem Set 1 Due

8	Day 1: 1 FEB Day 2: 2 FEB	Economic Welfare and Government Intervention	Chapter 6 (thru 6-1c) Chapter 7	<ul style="list-style-type: none"> Understand the concept of consumer and producer surplus and its graphical depiction. Explain why perfectly competitive markets maximize social (total) surplus. Explain efficiency in a market context. Explain the government rationale for price controls. Graphically depict the efficiency concerns of price controls on a competitive market. 	6	Day 1 Drop: 3 FEB
9	Day 1: 6 FEB Day 2: 7 FEB	Taxes	Chapter 6 (6-2 thru end of chapter) Chapter 8	<ul style="list-style-type: none"> Explain federal government rationales for taxation and how tax policies may sacrifice efficiency to advance equity. Identify the economic incidence (burden) of a tax or subsidy. Recognize that tax incidence is not determined by government declaration, but by the relative price elasticities of supply and demand. Graphically depict the tax equilibrium and the market efficiency implications. Understand and describe average and marginal tax rates on earned income. Explain what is meant by the progressivity/regressivity of a tax. 	4 & 6	
10	Day 1: 9 FEB Day 2: 10 FEB	Trade Theories and Restrictions	Chapter 9	<ul style="list-style-type: none"> Describe how trade can improve total surplus. Identify the groups made better and worse off. Describe how trade restrictions affect total surplus and efficiency. Graphically depict how trade restrictions (tariffs & quotas) affect total surplus. Understand the arguments advocating for trade restrictions. 	4	
11	Day 1: 13 FEB Day 2: 14 FEB	Micro WPR 1	LSN 1-10		In Class	Problem Set 2 Due
Microeconomics Block II						
12	Day 1: 16 FEB Day 2: 17 FEB	Externalities	Chapter 10	<ul style="list-style-type: none"> Explain positive and negative externalities. Graphically depict why externalities result in inefficient equilibria and how government intervention can restore efficiency to the market. Explain the policy options available to policy makers to correct for positive and negative externalities. 	5	
13	Day 1: 22 FEB Day 2: 21 FEB	Public Goods and Common Resources	Chapter 11	<ul style="list-style-type: none"> Describe the concepts of rivalry in consumption and excludability. Define common resources and public goods in terms of rivalry and excludability. Explain why private markets fail to efficiently allocate common resources and public goods. Explain how public goods can be viewed as examples of externalities. Explain why the cost-benefit analysis of public goods is both necessary and difficult. 		
14	Day 1: 24 FEB Day 2: 23 FEB	Costs of Production	Chapter 13	<ul style="list-style-type: none"> Understand the relationship between costs, revenues, and profits. Understand the difference between accounting profits and economic profits. Explain fixed, variable, and total costs. Distinguish marginal costs from average costs. Understand what is meant by returns to scale of a production function. 	1 & 2	
15	Day 1: 27 FEB Day 2: 28 FEB	Firms in Perfect Competition	Chapter 14	<ul style="list-style-type: none"> Explain and graphically depict profit maximization for a perfectly competitive firm. Graphically derive a competitive firm's supply curve. Explain and graphically depict the firm's short-run decision to remain open or immediately shutdown. Explain and graphically depict the firm's long-run decision to remain in the market or to exit. Graphically depict how market entry and exit result in zero economic profit for perfectly competitive firms in the long-run. 	2	
16	Day 1: 1 MAR Day 2: 2 MAR	Monopoly	Chapter 15 (thru 15-3b)	<ul style="list-style-type: none"> Describe monopoly market structure, and distinguish it from the perfectly competitive model. Describe the sources of monopoly power. Understand the simple monopoly profit-maximizing problem. Graph the monopolist's profit-maximizing quantity sold and price charged. Evaluate total welfare under monopoly, including firm profits and consumer surplus. 	2	Problem Set 3 Due Day 1 Drops: 3 MAR & 13 MAR

17	Day 1: 15 MAR Day 2: 16 MAR	Monopoly II and Monopolistic Competition	Chapter 15 (15-4 thru end) Chapter 16	<ul style="list-style-type: none"> Understand price discrimination and its impact on social welfare. Explain the policy options available to address monopolies and their impact on welfare and efficiency. Distinguish monopolistically competition from perfect competition and monopolies. Explain how a monopolistically competitive firm maximizes profit in the short-run and long-run. 	3	Day 1 Drop: 17 MAR
18	Day 1: 20 MAR Day 2: 21 MAR	Oligopoly	Chapter 17	<ul style="list-style-type: none"> Describe how significant barriers to entry enable the persistence of oligopolies. Understand market outcomes under duopolies (a type of oligopoly) with identical products and differentiated products. Compare and contrast market outcomes (price and quantity), long-run profits, and total surplus under the four market structures (perfect competition, monopoly, oligopoly, and monopolistic competition). 	1 & 2	
19	Day 1: 23 MAR Day 2: 24 MAR	Micro WPR 2	LSN 12-18		In Class	Problem Set 4 Due
Macroeconomics Block						
20	Day 1: 27 MAR Day 2: 28 MAR	Macroeconomic Aggregates	Chapter 23 Chapter 24	<ul style="list-style-type: none"> Describe the various methods of measuring GDP. Explain the limitations of GDP as a measure of economic well-being. Describe how price indices (GDP deflator, CPI) are constructed, what they measure, and their biases. Calculate inflation using a price index. Understand the difference between nominal and real values of macroeconomic aggregates. Understand and explain the difference between nominal and real interest rates. 	Mankiw Principle 8	
21	Day 1: 29 MAR Day 2: 30 MAR	Long Run Economic Growth	Chapter 25	<ul style="list-style-type: none"> Explain how GDP per capita measures differences in economic well-being across countries. Understand the aggregate production function and how changes to its determinants affect a nation's productivity. Explain the "catch up" effect and what it predicts for less developed countries. Explain how technological progress drives sustained economic growth. 	Mankiw Principle 8	
22	Day 1: 3 APR Day 2: 4 APR	Capital Markets	Chapter 26	<ul style="list-style-type: none"> Explain the role of the financial system in an economy. Understand properties of the two fundamental types of securities: stocks and bonds. Explain and graphically depict the market for loanable funds; identify which economic agents demand credit and which economic agents supply credit. Explain why the "price of money" is the real interest rate. 		Issue Analysis Essay Due: 5 APR
23	Day 1: 6 APR Day 2: 7 APR	Capital Markets 2	Chapter 27	<ul style="list-style-type: none"> Measure the time value of money by calculating present and future values. Understand the relationship between company risk considerations and how they reflect insurance prices. Understand the relationship between risk (variability of returns) and expected returns on an investment. Understand why a diversification strategy is valuable based on risk management concepts for insurance and investing. Distinguish between active investment and passive investment strategies. 	5	
24	Day 1: 10 APR Day 2: 11 APR	Unemployment	Chapter 28	<ul style="list-style-type: none"> Identify and explain a person's status as employed, unemployed, or out of the labor force. Calculate the unemployment rate and the labor force participation rate; understand why these metrics should be considered together when studying the labor force. Distinguish between cyclical, frictional, and structural unemployment. Describe how minimum wage laws, labor unions, and efficiency wages may result in structural unemployment. 	Mankiw Principle 9	
25	Day 1: 12 APR Day 2: 13 APR	The Monetary System	Chapter 29 Chapter 30	<ul style="list-style-type: none"> Explain the types and functions of money. Understand the federal reserve system. Understand fractional reserve banking and money creation. Understand the quantity theory of money and the relationship between money supply and the inflation that it predicts. 	Mankiw Principle 9	Problem Set 5 Due Day 1 Drop: 14 APR

26	Day 1: 17 APR Day 2: 18 APR	Aggregate Demand and Aggregate Supply	Chapter 33	<ul style="list-style-type: none"> Graphically depict the aggregate demand curve, the long run aggregate supply curve, and the short run aggregate supply curve. Explain what factors lead to shifts in the aggregate demand curve, long run aggregate supply curve, and short run aggregate supply curve. Describe and graphically depict macroeconomic equilibrium. Describe and graphically depict how changes in the aggregate demand and/or short run aggregate supply change the macroeconomic equilibrium. Describe and graphically depict the readjustment to long run equilibrium without government or central bank intervention. 		
27	Day 1: 20 APR Day 2: 21 APR	Monetary Policy	Chapter 34	<ul style="list-style-type: none"> Explain the Federal Reserve's monetary policy tools to adjust the money supply. Describe and graphically depict how application of a monetary policy tool changes equilibrium interest rates. Describe and graphically depict how changes to the equilibrium interest rate changes the short run macroeconomic equilibrium. Describe and graphically depict a monetary policy correction to a short run macroeconomic fluctuation. 	Mankiw Principle 10	
28	Day 1: 24 APR Day 2: 25 APR	Fiscal Policy	Chapter 34	<ul style="list-style-type: none"> Understand the government's fiscal policy tools. Describe and graphically depict how fiscal policy changes affect the short run macroeconomic equilibrium. Understand how the multiplier effect and the crowding out effect impact the economic response to fiscal policy. Describe and graphically depict a fiscal policy correction to a short run macroeconomic fluctuation. 	Mankiw Principle 10	
29	Day 1: 26 APR Day 2: 27 APR	Macro WPR	LSN 20-28		In Class	Problem Set 6 Due
30	Day 1: 1 MAY Day 2: 2 MAY	Frontiers in Economics	Chapter 22 (omit 22-2)	<ul style="list-style-type: none"> Discuss the work being done by economists and what economists really do. Discuss the application of economics to contemporary social issues. Understand the asymmetrical information problems of moral hazard and adverse selection and how it induces markets to respond through signaling and screening. Understand the economic subfield of behavioral economics and how psychological insights explain why some economic choices may counter expected rational behavior. 	5	
	TBD	TEE	Comprehensive		In Class	