



SYLLABUS
ECO 530 Economic Principles and Policy
Fall 2007
Monday 6:00 – 8:50 p.m.
Room # 216 University Center

Instructor: Dr. Hiranya K. Nath
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Office Hours: Mon 5:00 – 6:00 p.m. at the University Center Faculty Lounge (3rd floor) or by appointment

Course Description: This introductory course in economics introduces the basic concepts and develops an analytical framework to examine economic issues. The first part of this course discusses the behavior of individual economic agents such as consumers and firms, that constitutes the core of microeconomics. In particular, it introduces two sides of the market: *demand* and *supply* that subsume consumer behavior and firm behavior respectively. It also discusses the basics of international trade. The second part of this course focuses on the functioning of the overall economy, which is the theme of macroeconomics. It introduces macroeconomic concepts such as gross domestic product (GDP), general price level and inflation, unemployment rate, and stock price and interest rate. It explains the issues of growth and business cycles using simplified models. This course also discusses the economic policy debates over taxation, rent ceiling, minimum wage, social security and economic stabilization effects of monetary and fiscal policies.

Learning Objectives: The student will have learned to (i) gain factual knowledge; (ii) understand fundamental principles, generalizations, and theories; and (iii) apply course materials to improve thinking, problem solving, and decisions.

Required Readings: The following textbook will be used as a general guideline to the topics that will often be expanded and extended by referring to supplemental reading materials from the list of additional readings. Homework problems will be assigned from the [Aplia Website](#).

- **Essentials of Economics** by **N. Gregory Mankiw**, *Fourth Edition*, Thomson South-Western.
- **Aplia Website** (<http://econ.aplia.com>). Mankiw's *Essentials of Economics* is an Aplia ITS and you have the choice of using Aplia with the online version of the book.
- **Additional Readings:** The following articles will (i) show you some of the real life issues to which economic principles can be applied and (ii) introduce you to current debates over important economic issues. I will make copies of these articles available in class.

Reddy, Bernard J., David S. Evans and Albert L. Nichols. "Why does Microsoft charge so little for windows?" 1999, Cambridge, MA: National Economic Research Associates.

Dolmas, Jim. "A Fitter, Trimmer Core Inflation Measure." *Southwest Economy*, Issue 3 May/June 2005, Federal Reserve Bank of Dallas.

Barrow, Lisa. "Is the Official Unemployment Rate Misleading? A Look at Labor Market Statistics over the Business Cycle." *Federal Reserve Bank of Chicago Economic Perspectives* v28, n2 (2nd Quarter 2004): 21-35

Zha, Tao. "Identifying Monetary Policy: A Primer." *Economic Review*, Second Quarter 1997, Federal Reserve Bank of Atlanta.

Recommended Readings:

- **Freakonomics: A Rogue Economist Explores the Hidden Side of Everything** by Steven D. Levitt and Stephen J. Dubner. *First Edition*, HarperCollins Publishers Inc., 2005
- **Globalization and Its Discontents** by Josph E. Stiglitz. *First Edition*, W. W. Norton & Company, 2002
- **The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics** by William Easterly, *First Edition*, The MIT Press, 2001
- **The End of Poverty: Economic Possibilities for Our Time** by Jeffrey D. Sachs, *First Edition*, Penguin Press, 2005
- **Business Week**
- **The Economist**
- **The Wall Street Journal**

Class Webpage: http://www.shsu.edu/~eco_hkn/classes/eco530_fall07.htm

Evaluation: Each student will be evaluated on the basis of his or her performance in the following:

Exams

There will be two take home midterm exams and a take home final exam, each counting 25% of your overall grade.

Aplia Homework Assignments

Almost every week you will have a homework assignment which you will submit online through [Aplia Website](http://econ.aplia.com) (http://econ.aplia.com). All items due in a particular week will be considered 'one' homework assignment. Thus, there are 15 assignments. You may drop 5 out of these 15 assignments. These homework assignments will count a total of 25% of your grade. Note that the first homework assignment on how to use Aplia, and on maths and graphs will be considered an *extra credit* assignment and will be graded on a scale of 0-2 points.

The final score will be determined by calculating a weighted average of the grade points received in each of the above and course grades will be assigned according to the following scale:

Grade Points (in percentage)	Letter Grade
90 – 100	A
80 – 89	B
70 – 79	C
Below 70	F

Exam Due Dates:

<i>Midterm I</i>	: Monday, September 24
<i>Midterm II</i>	: Monday, October 29
<i>Final</i>	: Monday, December 10

Attendance, Homework, Exam, Student Disability and Religious Holy Day Policy:

1. Students are encouraged to attend all classes. Because of the federal and SHSU guidelines, the instructors are required to submit reports on student attendance. I will take attendance at the beginning of each class.
2. No late homework! The [Aplia Website](#) will not accept your homework after the deadline is over.
3. There will be practice assignments posted on the [Aplia website](#) with answers and explanations. You may work on those practice assignments before you try the graded homework assignments. If you need help do not hesitate to contact me.
4. Exam dates are listed on the syllabus. The exams are to be turned in at 6:00 p.m. on the scheduled due dates. The take home exams will be posted on the class webpage as well as on the Blackboard, 72 hours prior to the scheduled dates (*that is*, at 6:00 p.m. on the Friday before the exam due date). In case you cannot make it to the class on the day of the test, you can e-mail *or* fax it to me before 6:00 p.m. on the exam due day.
5. Academic Dishonesty: Students are expected to conduct their academic work with integrity and honesty. Acts of dishonesty will not be tolerated and can result in the failure of a course and dismissal from the University. Academic dishonesty includes, but is not limited to, cheating on a test, plagiarism, collusion –the unauthorized collaboration with another person in preparing work offered for credit, the abuse of resource materials, and misrepresentation of credentials or accomplishments as a member of the university. The University policy on academic honesty and appeal procedures can be found in the manual entitled Student Guidelines, distributed by the Division of Student Services. (Reference Section 5.3 of the SHSU Student Guidelines)
6. Disability Accommodation: It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic, Student Life program, or activity. Disabled students may request academic assistance/accommodation when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex, or by calling ext. 1720. Note that no accommodation can be made until a student registers with the Counseling Center.
7. Religious Holy Day Policy: Section 51.911 (b) of the Texas Education Code requires that an institution of higher education excuses a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see: http://www.shsu.edu/vaf_www/aps/documents/861001.pdf

Topics and Tentative Time Schedule:

Topic #	Topic	Readings	Week
I	Introduction to Economics		1
I.1	What is Economics all about?	Ch. 1, 2	1
I.2	Graphs in Economics	Appendix to Ch.2	1
HW # EC	Homework Assignment	Aplia Website	1 (due on Aug 25)
HW # 1	Homework Assignment	Aplia Website	2 (due on Aug 27)
II	Fundamentals of Microeconomics		
II.1	Demand and Supply	Ch. 4	2
	Labor Day	No class	3
HW # 2	Homework Assignment	Aplia Website	4 (due on Sept 10)
II.2	Elasticity	Ch. 5	4
II.3	Market and Government Policies	Ch. 6	4
HW # 3	Homework Assignment	Aplia Website	5 (due on Sept 17)
II.4	Market Efficiency and Costs of Taxation	Ch. 7 and 8	5
Midterm # 1	Take Home Midterm	Class Web/ Blackboard	6 (due on Sept 24)
HW # 4	Homework Assignment	Aplia Website	6 (due on Sept 24)
II.5	Costs of Production	Ch. 12	6
II.6	Competitive Firm	Ch. 13	6
HW # 5	Homework Assignment	Aplia Website	7 (due on Oct 1)
II.7	Monopoly	Ch. 14	7
CD # 1	Class Discussion	Article by Reddy et al	7
HW # 6	Homework Assignment	Aplia Website	8 (due on Oct 8)
II.8	International Trade	Ch. 3 and 9	8
III	Fundamental of Macroeconomics		
HW # 7	Homework Assignment	Aplia Website	9 (due on Oct 15)
III.1	Nation's Income	Ch. 15	9
III.2	Cost of Living	Ch. 16	9
HW # 8	Homework Assignment	Aplia Website	10 (due on Oct 22)
CD # 2	Class Discussion	Article by Dolmas	10
III.3	Production and Growth	Ch. 17	10
Midterm # 2	Take Home Midterm	Class Web / Blackboard	11 (due on Oct 29)
HW # 9	Homework Assignment	Aplia Website	11 (due on Oct 29)
III.4	Saving, Investment, and the Financial System	Ch. 18	11

III.5	Stock Prices and Interest Rate	Ch. 19	11
HW # 10	Homework Assignment	Aplia Website	12 (due on Nov 5)
III.6	Unemployment	Ch. 20	12
CD # 3	Class Discussion	Article by Barrow	12
HW # 11	Homework Assignment	Aplia Website	13 (due on Nov 12)
III.7	Money Growth and Inflation	Ch. 21 and 22	13
HW # 12	Homework Assignment	Aplia Website	14 (due on Nov 19)
III.8	Aggregate Demand and Aggregate Supply	Ch. 23	14
HW # 13	Homework Assignment	Aplia Website	15 (due on Nov 26)
III.9	Macroeconomic Policy Debates	Ch. 24	15
CD # 4	Class Discussion	Article by Zha	15
HW # 14	Homework Assignment	Applia Website	16 (due on Dec 3)
IV	Frontiers of Modern Economic Research	Various readings	16
HW # 15	Homework Assignment	Applia Website	17 (due on Dec 10)
Final Exam	Final Exam	Class Web / Blackboard	17 (Dec 10)

Important Dates to Remember

August 20 MONDAY	First Day of Class
August 27 MONDAY	Last day to register and to process schedule changes
September 3 MONDAY	Labor Day Holiday
September 5 WEDNESDAY	Deadline for notification by students to the faculty members of the student's intent to be absent on religious holy days. Last day to drop without a "Q" and receive 100% refund.
September 24 MONDAY	Take Home Midterm Exam I is due by 6:00 p.m.
October 10 WEDNESDAY	Last day to drop Fall Semester courses without grade of F.
October 29 MONDAY	Take Home Midterm Exam II is due by 6:00 p.m.
November 21-23 WEDNESDAY, THURSDAY, FRIDAY	Thanksgiving holidays
December 6 THURSDAY	Last class day. Last day to resign.
December 10 MONDAY	Final examination is due by 6:00 p.m.

Student Registration and Payment Instructions for Aplia

Course Name: Economic Principles and Policy (ECO530) Fall 2007

Start Date: 08/20/2007

Professor: Hiranya Nath

Course Key: TR9B-JJAY-ATLC

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.
 - You will save money if you buy these together.
 - You have two purchase options.
 - You will have free access to the first four chapters of an online copy of your textbook at Aplia. You can access the remaining online chapters as soon as you submit a payment for your Aplia course.
 - Don't buy anything until you understand your alternatives.
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Registration

Registration Instructions

1. Connect to <http://www.aplia.com>.
2. Click the System Configuration Test link below the Sign In and Register sections to make sure you can access all of the features on Aplia's website. This takes just a few seconds and tells you how to update your browser settings if necessary.
3. Return to <http://www.aplia.com>.
 - If you have never used Aplia before, click the New Student button and enter your Course Key: TR9B-JJAY-ATLC. Continue following the instructions to complete your registration.
 - If you have used Aplia before, sign in with your usual e-mail address and password and enter your Course Key when prompted: TR9B-JJAY-ATLC. If you are not prompted for a new Course Key, click the Enter Course Key button to enroll in a new Aplia course. Enter your Course Key when you are prompted.
4. If you understand your payment options, pay now. Otherwise, postpone your purchase decision by choosing the option to pay later. Your payment grace period ends at the end of the day on 09/09/2007.

Payment

Option A: Pay Aplia Directly

- Purchase access to your course directly from Aplia on our website for \$60.00 USD. The website includes:
 - Access to an online copy of your textbook.
 - Content that has been customized for your textbook and course.
- However, if you try using the online textbook and decide you would also like a physical textbook, you can order one from Aplia for \$60.00 USD plus \$7.50 for shipping and handling.

Option B: Purchase at Bookstore

Purchase a bundle from your school's bookstore, which includes:

- An Aplia Access Card containing a Payment Code that you can enter on Aplia's website as payment for your Aplia course.
- A physical textbook.

Disclaimer: I receive no monetary benefit from requiring Aplia assignments.