

Professor Peter J. Boettke
Department of Economics
Enterprise 324

ECON100
David J. King Hall 1006
T-Th
9:00-10:15am

Teaching Assistant: David Hebert

Office Hours: by appointment

Economics for the Citizen

Course Description

This class is a survey of basic economics and political economy. The focus on the class will be in presenting the "economic way of thinking" and applying that way of thinking to make sense of the world in which you live. We will be doing some black-board economics - formulas and graphs - but our primary objective would be to use what we learn from the black-board to interpret what we see "out of the window" in the stock-market in New York city, the policy process in Washington, DC, or global economic events in London, Paris and Hong Kong.

Our goal is that you will read the newspaper or watch TV differently than you did before you came into this class. If that happens, then the course will have been successful. This does not mean that you will see things "my way". That is actually the last thing we want. Instead, what we are after is that you learn to read, listen and watch critically and to apply the tools of economic reasoning in so doing.

Course Readings

Fictional

John Steinbeck, *The Grapes of Wrath* (1939)
Ayn Rand, *Atlas Shrugged* (1957)

Non-Fiction

Paul Heyne, Peter Boettke and David Prychitko, *The Economic Way of Thinking*, 12th Edition (2009)

Grading Policy

Class grades will be determined on the basis a mid-term and a final exam, and a term paper that relates the economic way of thinking to the fictional accounts of economic crises found in Steinbeck and Rand motivated by the financial crisis we are currently experiencing (2008--). Each will be equally weighted in determining your final grade.

The mid-term will cover chapters 1-6 and the material from The Commanding Heights PBS series, and the final will cover chapters 7-15 (and material from The Commanding Heights PBS series). The exams will be a combination of definitions, problems, and essays. You will need to come to the exams with blue-books.

Term papers must be a minimum of 10 double-spaced typed pages and must have a clear thesis statement and the development of an argument. You must motivate the paper by reference to the financial crisis of 2008 and the policy debates since that time. The text-book must be your main reference, and your task is to provide a comparative narrative of *The Grapes of Wrath* and *Atlas Shrugged* and to assess the economic content of both. Both books require time and concentration to read and get out of them what is required, so start reading early in the semester, not last minute. And to help get some background on the financial crisis of 2008 and its aftermath, read *The Economist* and other sources in the financial news and even some blogs such as those by Paul Krugman, Brad deLong, Gregory Mankiw, Tyler Cowen, Arnold Kling, Scott Sumner, Casey Mulligan and Steve Horwitz. These individuals have been very active in the blogosphere and represent a variety of perspectives in economics and political economy.

While class attendance and participation will not be directly graded, you will be expected to attend every class and to participate as required. Trust me, significant skipping of class and/or inattention in class will cost you in terms of understanding the material and this will be reflected in your grade. You can choose to sleep through economics class, but you cannot sleep through economics and get a decent grade. Performing poorly in a 100 level class is a tough way to learn one of the first lessons of economics associated with choices and consequences. Better to learn that lesson intellectually and get a good grade, rather than learn it practically and suffer a hit to your GPA. Life is about trade-offs, school is no different than any other endeavor. Assess your trade-offs and choose wisely.

Lectures

| DATE | TOPIC | READING |
|--------------|---|----------------------------|
| August 31 | Course Overview | |
| September 2 | The Economic Way of Thinking | Heyne, et., al., chapter 1 |
| September 7 | An Exchange is an Exchange is an Exchange | Heyne, et. al., chapter 2 |
| September 9 | Comparative Advantage | Chapter 2 (continued) |
| September 14 | Substitutes Everywhere | Heyne, et. al., chapter 3 |
| September 16 | Demand Curves Slope Downward | Chapter 3 (continued) |
| September 21 | Cost and Choice | Heyne, et. al., chapter 4 |

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| September 23 | Supply Curves Slope Upward | Chapter 4 (continued) |
| September 28 | Supply and Demand | Heyne, et. al., chapter 5 |
| September 30 | Unintended Consequences and Supply and Demand Analysis | Heyne, et. al., chapter 6 |
| October 5 | Commanding Heights, #1 | |
| October 7 | Commanding Heights, #2 | |
| October 12 | Columbus Day Holiday: Monday classes meet 10/12 Tuesday classes do not meet | |
| October 14 | Review for Exam | |
| October 19 | Mid-Term Exam | |
| October 21 | Profit and Loss | Heyne, et. al., chapter 7 |
| October 26 | Commanding Height, #3 | |
| October 28 | Price Searching | Heyne, et. al., chapter 8 |
| November 2 | The Competitive Market Process | Heyne, et. al., chapter 9 |
| November 4 | Competition and Government Policy | Chapter 9 (continued) |
| November 9 | Externalities and Property Rights | Heyne, et. al., chapter 10 |
| November 11 | Economic Analysis of Politics | Heyne, et. al., chapter 11 |
| November 16 | Macroeconomics | Heyne, et. al., chapter 12 |
| November 18 | Economic Growth and Economic Development | Heyne, et. al., chapters 12-13 |
| November 23 | The Wealth and Poverty of Nations | Heyne, et. al., chapter 13 |
| November 25 | THANKSGIVING | |
| November 30 | Money | Heyne, et. al, chapter 14 |
| December 2 | Monetary Theory and the Trade Cycle | Chapter 14 (continued) |
| December 7 | Economics for Yesterday, Today and Tomorrow | Heyne, et. al., chapters 15-16 |
| December 9 | Review for Exam | *term papers due* |
| December 16 7:30-10:15am | FINAL EXAM | |