

Professor Peter J. Boettke
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Department of Economics
Enterprise 324

ECON100
Science and Tech I 131
T-Th
9:00-10:15am

Office Hours: by appointment

Teaching assistant: David Hebert
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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 will be to use what we learn from the black-board to interpret what we see "out of the window" in the stockmarket 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

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 of a mid-term and a final exam. Each exam will be 50 multiple choice questions.

Extra credit (substitute for one of the exam grades, but you must take both exams – no exceptions) is possible by doing a review essay on Ayn Rand's *Atlas Shrugged*, and relating the narrative in that book to the ongoing financial crisis you are living through. 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, Mario Rizzo and Steve Horwitz. These individuals have been very active in the blogosphere and represent a variety of perspectives in economics and

political economy. You may also want to watch the videos available at EconStories.TV <http://econstories.tv/> A poor effort on the extra credit assignment will result in no credit given, so if you are going to do this, take it very seriously. I hope many of you will take this challenge, as it could be one of the most intellectually rewarding of your college career. But I understand if you choose not to because you are too occupied with the courses in your major, etc. So unless you can throw yourself into the project, please do not do it and just focus on reading and absorbing the material from the textbook and course lectures.

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 tradeoffs, school is no different than any other endeavor. Assess your trade-offs and choose wisely.

Lectures

DATE	TOPIC	READING
August 30		
September 1	The Economic Way of Thinking	HBP, chapter 1
September 6	Efficiency, Exchange and Comparative Advantage	HBP, chapter 2
September 8	Substitutes Everywhere	HBP, chapter 3
September 13	Cost and Choice	HBP, chapter 4
September 15	Supply and Demand	HBP, chapter 5
September 20	Unintended Consequences	HBP, chapter 6
September 22	Profit and Loss	HBP, chapter 7
September 27	Price Searching	HBP, chapter 8
September 29	Istanbul	
October 4	Istanbul	Meet with Dave Hebert to review HBP, 1-4
October 6	Istanbul	Meet with Dave Hebert to review HBP, 5-8
October 11	Columbus Day Holiday: Monday classes meet 10/12 Tuesday classes do not meet	
October 13	Competition and Government Policy	HBP, chapter 9
October 18	Externalities	HBP, chapter 10
October 20	Markets and Government	HBP, chapter 11

October 25	What Have We Learned So Far?	HBP, chapters 1-11
October 27	Review for Mid-Term	Dave Hebert will review for exam
November 1	Mid-Term Exam	
November 3	Review Mid-Term Results	Dave Hebert will go over exam
November 8	Overall Economic Performance	HBP, chapter 12
November 10	The Wealth of Nations	HBP, chapter 13
November 15	Money	HBP, chapter 14
November 17	Economic Performance and Real-World Politics	HBP, chapter 15
November 22	The Limitations of Economics	HBP, chapter 16
November 24	THANKSGIVING	
November 29	The Clash of Economic Ideas	*optional – watch PBS series “The Commanding Heights” -- http://www.pbs.org/wgbh/commandingheights/
December 1	Understanding the Global Financial Crisis and the Politics of Our Age	*optional – watch HBO movie “Too Big to Fail.”
December 6	What Have We Learned in the Class?	HBP, chapters 1-16
December 8	Review for Final Exam	Dave Hebert will review for exam
December 15 7:30-10:15am	FINAL EXAM	