

THE AMERICAN UNIVERSITY
Department of Economics

Introduction to Economic Theory
Economics 19.603
Fall, 2002

Instructor: Dr. Douglas A. Little

Class Meetings: Tuesday 5:30 - 8:00 p.m.

Office Location: Second Floor, Roper Hall

Telephone: (202) 885-3770

Office Hours: Tuesday 4:15 - 5:15 p.m. and by appointment

Course Description:

This course is an introductory one in economic theory which is intended primarily for graduate students in the School of International Service, but is also applicable to students in similar programs. It is designed to provide students with a basic knowledge of the key elements in both microeconomic and macroeconomic theory. Throughout the course, practical applications will be noted as far as possible. Thus, the goal of the course is to provide students with a basic understanding of economic theory so that practical applications which students are likely to encounter in the future can be analyzed within such economic context.

The course begins with an introduction to economics. Following this introduction, the first part of the course will be comprised of topics which are microeconomic in nature. These include topics related to individuals, households, and firms; the fundamentals of capitalism; and the theory of supply and demand in different market structures. In the second part of the course, focus turns to the macro-economy of a country or region. Major topics to be introduced include aggregate supply and demand; inflation; unemployment; the role of government in economics; money and banking; and international trade.

Text: Economics, Joseph E. Stiglitz and Carl E. Walsh (Third Edition)

Evaluation Criteria:	Homework	15%
	Term Paper	20%
	Mid-term Exam	30%
	Final Exam	35%

Grades:	A	94-100%
	A-	91-93%
	B+	88-90%
	B	84-87%
	B-	81-83%
	C+	78-80%
	C	74-77%
	C-	71-73%
	D	61-70%
	F	Below 61%

Exams: During the semester, a Mid-term Exam and comprehensive Final Exam will be administered. Students are expected to be in class to take exams on their scheduled date. Students may request to make arrangements for a make-up exam in exceptional circumstances only.

Homework: Written homework will normally be assigned each week throughout the semester. It will often consist of questions/problems from or derived from the Economics text. Students are required to submit this homework by the following class session. It will be graded and returned. For each class period that homework is late, its grade will be reduced by ten percent.

Term Paper: Each student is required to prepare a brief research paper that explores and analyzes an aspect of economics. Students are encouraged to confer with the instructor on topics of interest to them. Each student must present a typed proposal outlining the subject of interest and source(s) to be used. The proposal should be no longer than a few sentences in length and be submitted no later than November 12.

It will be graded on the following scale: Content--Presentation (35%); Content--Critique (35%); Organization and Style (15%); Mechanics (15%). The paper is expected to be no more than five pages in length. It is to be in typed form, following an acceptable format for academic papers, which includes a bibliography and proper references to quotations and ideas used. The final term paper is due on December 3. Research papers cannot be accepted after this date.

Course Outline: Class Period 1 -- Introduction, Economics Chapters 1 and 2

Class Period 2 -- Economics Chapters 4 and 5

Class Period 3 -- Economics Chapters 6, 7 and 8

Class Period 4 -- Economics Chapters 10 and 11

Class Period 5 -- Economics Chapter 12

Class Period 6 -- Economics Chapters 13, 16, 21 and Review

Class Period 7 -- Mid-term Exam

Class Period 8 -- Economics Chapters 22, 23, and 24

Class Period 9 -- Economics Chapters 28 and 29

Class Period 10 -- Economics Chapters 30 and 31

Class Period 11 -- Economics Chapter 25

Class Period 12 -- Economics Chapter 32

Class Period 13 -- Economics Chapters 3, 18 and 33

Class Period 14 -- Economics Chapter 37 and Review

Class Period 15 -- Final Exam

Students are responsible for all material in the text as well as that material presented in class. Students are responsible for reading each chapter prior to the day of its discussion in class.

Course Outline: Class Period 1 -- Introduction, Economics Chapters 1 and 2
(Microeconomics--Chapters 1 and 2)

Class Period 2 -- Economics Chapters 4 and 5
(Microeconomics--Chapters 4 and 5)

Class Period 3 -- Economics Chapters 7 and 8
(Microeconomics--Chapters 7 and 8)

Class Period 4 -- Economics Chapters 11, 12 and 13
(Microeconomics--Chapters 11, 12 and 13)

Class Period 5 -- Economics Chapters 14 and 15
(Microeconomics--Chapters 14 and 15)

Class Period 6 -- Economics Chapter 16 and Review
(Microeconomics--Chapter 16)

Class Period 7 -- Mid-term Exam

Class Period 8 -- Economics Chapters 21, 22, and 23
(Topics may be integrated with earlier chapters)
(Microeconomics--Chapters 21, 22, and 23)

Class Period 9 -- Economics Chapters 24, and 25
(Macroeconomics--Chapters 4 and 7)

Class Period 10 -- Economics Chapters 28 and 30
(Macroeconomics--Chapters 9 and 11)

Class Period 11 -- Economics Chapters 31 and 32
(Macroeconomics--Chapters 12 and 13)

Class Period 12 -- Economics Chapters 33, 34 and 35
(Topics may be integrated with earlier chapters)
(Macroeconomics--Chapters 14, 15 and 16)

Class Period 13 -- Economics Chapters 3, 38
(Macroeconomics--Chapters 3 and 19)

Class Period 14 -- Economics Chapter 40 and Review
(Macroeconomics--Chapter 21)

Class Period 15 -- Final Exam