

THE AMERICAN UNIVERSITY
Department of Economics

Introduction to Economic Theory
Economics 603
Fall, 2008

Instructor: Dr. Douglas A. Little

Class Meetings: Tuesday, 5:30 to 8:00 PM

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Office Hours: Tuesday, 4:15 to 5:15 PM and by Appointment

Course Description:

This course is an introductory one in economic theory that 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, but the focus will be on theory that can be used in future courses and applications. Thus, the goal of the 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 that 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 (Fourth Edition)

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

Grading Criteria:	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 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 at least 10%.

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 sources to be used. The proposal should be no longer than a few sentences in length, and with the sources, submitted no later than November 18.

It will be graded on the following scale: Content—Your Presentation (35%); Content—Your Critique of the Work of Others; Organization and Style (15%); Mechanics (15%). The main body of 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 2. Term papers cannot be accepted after this date.

Course Outline:

- Class Period 1 – Introduction; Economics Chapters 1 and 2
- Class Period 2 – Economics Chapters 3 and 4
- Class Period 3 – Economics Chapters 5, 6 and 7
- Class Period 4 – Economics Chapters 10, 11 and 18
- Class Period 5 – Economics Chapters 12 and 14
- Class Period 6 – Economics Chapters 13, 17 and Review
- Class Period 7 – Mid-term Exam (Tentative—may occur later)
- Class Period 8 – Economics Chapters 21, 22, 23 and 24
- Class Period 9 – Economics Chapters 29 and 30
- Class Period 10 – Economics Chapter 31
- Class Period 11 – Economics Chapter 28
- Class Period 12 – Economics Chapters 32, 33 and 38
- Class Period 13 – Economics Chapters 19, 34 and 35
- Class Period 14 – Economics Chapter 36 and Review
- Class Period 15 – Final Exam – Tuesday, December 9 at 5:30 PM

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