

ECON 1020/SOCS 1310 — Economics: Wealth and Poverty
Spring Quarter 2010
Section 2, MW, 2:00-3:50 PM, Sturm Hall 186
Professor Tracy Mott
Office — Sturm Hall 245
Office Hours — Mondays, Tuesdays, and Wednesdays, 4:00-6:00 PM

SYLLABUS

“Rarely do we find men who engage in hard, solid thinking. There is an almost universal quest for easy answers and half-baked solutions. Nothing pains some people more than having to think.”

— Martin Luther King, Jr.

This course presents an introductory analysis of how the economic aspects of our society operate. We will begin with a brief examination of the development of human economic arrangements and how these developed into the kind of economy we have today. We will then look at some of the historical development of how people thought that economic activity works and how they thought it should work. Then we will go into an examination of the workings of markets and economic competition — what we call *micro*-economics — by examining some of the relevant theory as well as its embodiment in developments in the U.S. economy. Following that, we will examine in much more detail the theory and some current issues involved in what we call *macro*-economics — the study of the workings of the national economy as a whole, with its concerns to explain such matters as the national rates of unemployment and price inflation, along with a study of the monetary and financial aspects of the economy and the promises and problems of government policy in affecting macroeconomic outcomes.

If you take this course as SOCS 1310, you can receive credit towards the Social Science Foundational requirement. Students in the Daniels College of Business (DCB) who are not Economics majors, however, *cannot* take the course as SOCS 1310 and earn Social Science Foundational credit for it. They are *required* to take the course as ECON 1020 at some point during their DU career to fulfill DCB Economics requirements.

Students can *major* in Economics whether they are in the School of Arts, Humanities, and Social Sciences or in the DCB. Economics majors are of course required to take ECON 1020/SOCS 1310. An Economics major can take the course under either number, but if he or she takes the course as SOCS 1310, it will not count as part of the 41 hours necessary for the Economics major.

Those of you who are taking the course as a requirement for your Business degree or Economics major are required to take ECON 1030 as soon as you can following the completion of this course. ECON 1030 will build on this course by going into much more detail regarding the microeconomic material that we introduce in this course. There will also be some further discussion of macroeconomics in that course in discussing aspects of the material covered there.

If you are taking this course as one of your Social Science Foundational requirements, you will get enough microeconomics to have an adequate understanding of that aspect of economics, while the extra dose of macroeconomics you will get in here should help you a great deal in understanding how economics purports to explain the “big” issues that most people want to know about from a study of economics. After completing this course, you should know the basics about

how our economic system is organized and how it functions. This should enable you to understand some important ideas that you can use to think about economic issues and controversies that you will need to deal with in your life and work. You will also begin to see how one social science seeks to understand and explain the economic aspects of social behavior.

To arrive at your grade for this course I will give two essay exams, a midterm and a final, and six homework essay assignments. The essay assignments are designed to help your understanding as we proceed through the course material. The grades on them will furnish 40% of your total grade. You will be allowed to drop your lowest two essay scores, so late work on them will not be accepted, outside of special circumstances. Even though this means that you can neglect to write two of the six essays, I don't recommend that as a strategy. Writing the essays and receiving feedback on them should help you enormously on the exams. Your highest grade on the two exams will furnish 40% of your total grade, and your lowest grade will be 20% of your total grade.

In each class I will pass out a list of questions that we will attempt to answer in the lecture and discussion for that day. I am not giving a grade *per se* for attendance or class participation. Showing up to class and making comments in the discussions are not things that reveal directly your understanding of the material, which is what a grade is supposed to indicate, and after all, this is college, not kindergarten (though at times I'm sure it feels like kindergarten), but they are obviously important to developing your understanding and are highly likely to improve your grade. Also, if you don't want to find yourself writing on the course evaluations at the end of the quarter, "The prof talked too much, and it was boring," you had better participate.

The main reasons that students don't get the grades they want in this course I believe are that (1) they are not keeping up with the readings and classes or (2) they are having trouble realizing what the essay assignments or exam questions are really asking them to provide. Taking care of (1) is your problem, but let me emphasize here that missing class regularly will really make it hard to do well. If you do have to miss class, get notes for that class from someone else in the class and come to see me about anything you don't understand from them. On (2), I can help you quite a bit if you come to see me. All of the essay assignments are given out on a Wednesday and are due the following Wednesday so that you should have time to go over your work with me in office hours or by e-mail on the Monday or Tuesday before it is due. Two classes before each exam I will give out a set of study questions and sample test questions that you can go over with us.

The readings required to be purchased for the course are a book — *Economics* by Joseph Stiglitz and Carl Walsh — and a packet of readings that I have put together for the course. Both of these items should be available in the bookstore at the places set up there for this course's readings. Make sure that you get the readings packet that says on its cover "COURSE READINGS FOR TRACY MOTT'S SECTIONS" The Stiglitz and Walsh book will also be the textbook for ECON 1030. Those of you who are not going to be taking ECON 1030 will want to have access to the book, especially since our exams will be open book and open note, but you might even more than other students want to explore buying the book in one of the electronic formats that are available from the publisher. It should also be possible to buy access only to certain sections of the book electronically, though I'm not sure how much help this will be, as some of the chapters assigned for this course come from different parts of the book rather than all being neatly located in one or two parts.

I would like each of you to fill out an index card which I will give you with your name, your major, your university class (sophomore, senior, etc.), your telephone number, and your e-mail address. I will use these cards to help me learn your name and to contact you should I need to do so.

My DU office telephone number is 303-871-2569, and my home number is 303-444-0371. My e-mail address is, not surprisingly, tmott@du.edu. My office location and hours are at the top of the first page of this syllabus, as you probably have noticed.

Below and on the following pages I have set out a schedule of the dates on which we should be covering our course topics, when each assignment is given, due, and returned to you, what readings you need to read for each topic, etc. We likely will be able to keep fairly close to this schedule, but of course there may be times when we want to or have to change it.

Date	Topic	Readings
Monday Mar. 22	What is economics?	
Wednesday Mar. 24 essay #1 given	How can we distinguish economics from other social activity? How has economic activity been arranged? Ancient economies	Polanyi, "Aristotle Discovers the Economy" Polanyi, "Societies and Economic Systems" Aristotle, <i>Politics</i> , pp. 1130-1141
Monday Mar. 29	Transition from feudalism to capitalism	Bloch, "Introduction" and "Material Conditions and Economic Characteristics" <i>Wall Street Journal</i> Millennium Edition Polanyi, "Evolution of the Market Pattern" Hunt, "Precapitalist European Economy"
Wednesday Mar. 31 essay #1 due essay #2 given	Transition from feudalism to capitalism (cont.); How have people understood how economic activity works, and how have they thought it should work? Mercantilism; Adam Smith	Heilbroner & Thurow, "Capitalism: Where Do We Come From" Rima, "The Origins of Analytic Economics" Smith, "The Wealth of Nations," pp. 158-172 & 225-227
Monday Apr. 5 essay #1 graded & returned	Adam Smith (cont.); Karl Marx	Marx, "Marx on the History of His Opinions" Marx, from <i>Wage-Labor and Capital</i> Caravan, "Summing Up [of Marx]"
Wednesday Apr. 7 essay #2 due midterm study questions given	Karl Marx (cont.); Neoclassical economics — Utility and disutility; Supply and demand determination of prices	Bentham, "The Principle of Utility," pp. 1-3 Marshall, "Gradations of Consumers' Demands" and "The Agents of Production: Introductory" Caravan, "Alfred Marshall" Stiglitz & Walsh, Chap. 3
Monday Apr. 12	Neoclassical economics — Supply and demand determination of prices (cont.); Economic welfare claims and their problems	Stiglitz & Walsh, Chap. 17, pp. 375-381

essay #2 graded & returned		
Wednesday Apr. 14	Midterm exam	
Monday Apr. 19 midterms graded & returned	Economic welfare claims and their problems (cont.); Competition as a dynamic process	Stiglitz & Walsh, Chap. 11 Mott, "Steindl, Josef (1912-1993)"
Wednesday Apr. 21 essay #3 given	How competition and changes in the type of competition affect economic productivity, wages, profits, and prices	Robertson & Walton, "Industrial Expansion" Handout on how competition and productivity affect wages and profits
Monday Apr. 26	More on income distribution and pricing; Macroeconomics — definitions	Handout on income and pricing determination Stiglitz & Walsh, Chap. 21
Wednesday Apr. 28 essay #3 due essay #4 given	Macroeconomics — definitions (cont.); The neoclassical macroeconomic model	Stiglitz & Walsh, Chaps. 22, 24
Monday May 3 essay #3 graded & returned	The neoclassical macroeconomic model (cont.)	Stiglitz & Walsh, Chap. 29
Wednesday May 5 essay #4 due essay #5 given	The Keynesian critique and macroeconomic model	Handout on saving, investment, income, and employment
Monday May 10 essay #4 graded & returned	Consumption and investment spending; Business cycles	Stiglitz, <i>Principles of Macroeconomics</i> , 2 nd Edition, pp. 351-376 Stiglitz & Walsh, Chap. 30 Handout on business cycles
Wednesday May 12 essay #5 due essay #6 given	The macroeconomic role of government	Stiglitz & Walsh, Chaps. 17, pp. 381-402, & Chap. 25
Monday May 17 essay #5 graded & returned	Money, interest rates, and monetary policy	Stiglitz & Walsh, Chaps. 28, 32 Galbraith, <i>Created Unequal</i> , pp. 214-217
Wednesday May 19 essay #6 due	The causes and effects of price inflation	Stiglitz & Walsh, Chaps. 23, 31, & 33
Monday May 24	International considerations affecting economies	Stiglitz & Walsh, Chaps. 26 & 34

essay #6 graded & returned final study questions given		
Wednesday May 26	Growth, productivity, and living standards	Stiglitz & Walsh, Chap. 27 Keynes, "Concluding Notes on the Social Philosophy Towards Which the General Theory Might Lead"
Wednesday Jun. 2	Final exam	