

Econ 201: Introduction to Economic Analysis

**August 31 Lecture: Introduction to the
Course**



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Preview of this class session

- This lecture provides an overview of the class
- Most of the information here is also on the class Web site
 - <https://www.reed.edu/economics/parker/201/index.html>
- Bring any questions about class organization to the first-day class conference



About the instructor

- “Bridge year” to retirement
- 33rd year of teaching at Reed, 42nd overall
- Research areas:
 - Macroeconomics
 - Economics of higher education
 - Teaching of economics
 - Peer effects in higher education



My teaching philosophy

- You learn economics by “doing economics”
- *Učit'* and *sa učit'*
- “Doing economics” in Econ 201
 - Daily case studies
 - Weekly problem sets
 - Occasional experiments
 - “Economic naturalist” assignment
 - Group research project (?)
 - Exams



Teaching/learning team

- Most important player is **you**
 - Students who work hard at doing economics learn the most
- Professor
 - Lectures, conferences, assignments
 - I do all my own grading
 - You will get feedback from me individually on assignments every class day
- Support staff
 - Three excellent economics seniors will serve as course assistants
 - Scheduled problem-set work sessions and individual tutoring (all via Zoom, for now)





Exploring the class Web site

<https://www.reed.edu/economics/parker/201/index.html>



Class Web site

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Economics 201

[Econ 201 Home and News](#)
[Course Information](#)
[Reading List and Outline](#)
[Assignments](#)
[Econ 201 F02/F03 Moodle site](#)
[Email Econ 201 \(Parker sections\)](#)
Email Instructor:
parker@reed.edu

Introduction to Economic Analysis Fall 2020 Jeffrey Parker, Reed College

Economics humbles its practitioners both in their optimism and in their doubts. The experience of being disastrously wrong is salutary; no economist should be denied it, and not many are.

- John Kenneth Galbraith

Class News

Information relevant to the class will be posted here. You should bookmark this page to make sure that you do not miss these notices.

- [8/24] I would like everyone to read Partha Dasgupta's book *Economics: A Very Short Introduction* before the second class session (Wednesday, September 2). It is available through the Library as an e-book at [this link](#), or can be purchased (cheaply) through the Reed Bookstore or online.
- [8/24] The Economics Department has a mailing list "econseminar" that is used to keep economics students informed of events, activities, job opportunities, etc. I recommend that you sign up for the list at <https://groups.google.com/a/groups.reed.edu/d/forum/econseminar>.

Class Web site

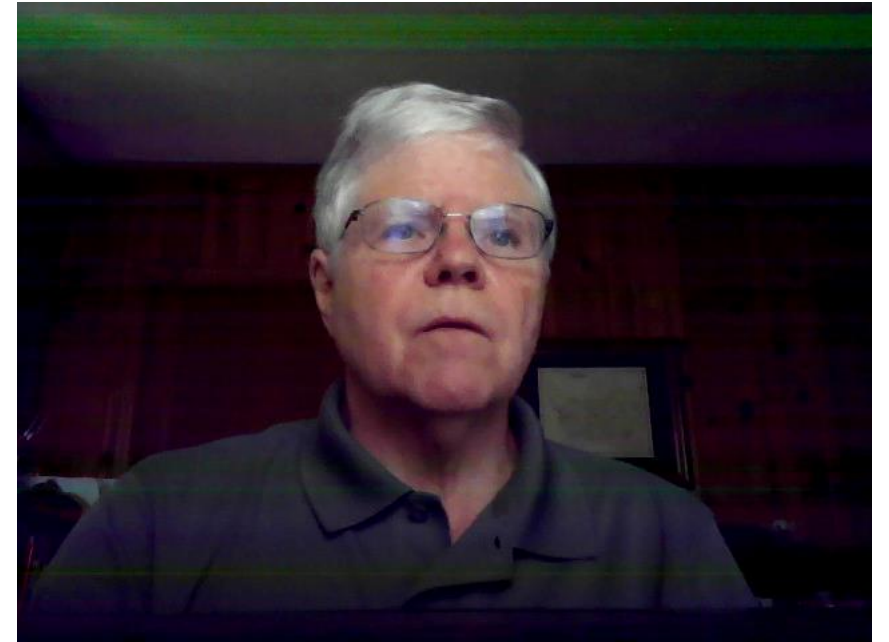
<https://www.reed.edu/economics/parker/201/index.html>

- Web site is central source of all information about class
- We will use Moodle, but only in very limited ways
 - Responses to case studies
 - Posting of links to recordings of class conferences
 - Other situations where student responses or confidentiality are important
- Home page will include updated class news



Course information

- Subject matter of Econ 201
 - Nine weeks of intermediate micro
 - How do individual agents in the economy make decisions?
 - How do market and non-market interactions translate these decisions into outcomes?
 - Four weeks of introductory macro
 - Behavior of aggregate economy: GDP, unemployment, inflation, policies, etc.
- Taught at higher analytical level than ordinary intro course
 - Micro in 201 ~ intermediate micro at most colleges and universities





Learning expectations

You should understand and be able to apply the standard theoretical models of microeconomics and macroeconomics:

- Decision-making by consumers and firms
- Product-market interactions under perfect competition and monopoly
- Interactions in markets for labor and capital
- Evaluation of market efficiency
- Importance of market imperfections such as externalities and public goods
- How economies grow over time
- Basic characteristics and models of business cycles
- Determination of unemployment, inflation, and other key macroeconomic variables

Math required

- What we use:
 - Basic algebra
 - Graphs
 - Logs
 - Calculus is useful, but not required
- First homework will serve as math diagnostic
- Tutoring available through class assistants or Quantitative Skills Center if you need help with math



Contacting the instructor

- Email: parker@reed.edu
 - (No “j” before or after!)
- Office hours: M 12:30-1:30 and T 10-11 by Zoom (at least for now)
 - Zoom link for office hours is on Moodle
 - Email me with questions at any time
 - I answer email quickly during daylight hours
 - We can set up an *impromptu* Zoom meeting if necessary





Class format

- Online lectures will be in this format
 - Slides with mixture of video and audio
 - They are to be viewed *before* the class conference
 - Make notes with your questions, confusions, comments, or responses to use during conferences (include slide numbers)
- Conferences
 - To begin semester, conferences will be online
 - See Moodle page for Zoom link
 - Conferences will be recorded with links from Moodle page
 - Attendance and active participation is expected of every student
 - Later in the semester, we may have in-person interactions as well
 - Depends on campus health situation



Problem sets

- Mostly due every Wednesday
- Analytical in nature, using algebra and graphs to model the economy
- Working together is encouraged, but every student submits own paper on most assignments
- This is your chance to “do economics”
- Work sessions with course assistants on Mondays and Tuesdays
 - Schedule will be on class Web site
 - Zoom conferences, at least for now
- Submit by email as pdf (not jpg)
 - Use campus copiers to scan
 - Phone app such as CamScanner can convert phone pictures



Cases of the day

- Short case-study reading and questions
 - Answer questions on Moodle
 - Closes at class time, so MUST be in before class
 - Informal “grading”
 - 0 = no response
 - 1 = not good enough
 - 2 = satisfactory
- Designed to illustrate, apply, and extend theories we study
- Due most days when no problem set (Mondays and Fridays)
- We will usually discuss cases in conference sessions

Exams

- Two midterm exams and a comprehensive final exam
 - One midterm halfway through micro (October 5)
 - One midterm at end of micro section (November 6)
- All exams will be “in-class” and closed-book
- May/will be taken remotely and submitted as pdf



Grading

Grades will be assigned based on evidence of knowledge of economics

- Exams
- Written assignments
- Class participation
- Individual interactions with instructor
- No fixed formula, but exams are biggest part of grade
- One bad grade will not hurt you; I will down-weight negative outliers



Texts and readings

- Three books
 - Dasgupta, *A Very Brief Introduction to Economics*
 - Read for Wednesday, September 2
 - Available as e-book through library
 - Goolsbee et al., *Microeconomics*, 2nd ed.
 - Principal text for micro
 - Get access to this in some form
 - Other editions are similar
 - Mankiw, *Intro to Macroeconomics*
 - Used in last 4 weeks
 - Important, but less essential



Class preparation

- Do assigned reading
 - Make notes about what you don't understand
- Watch lecture video
 - Refer back to reading when necessary
 - Update notes with clarifications and continuing confusions
 - Formulate questions to ask in conferences, with slide number
- Read case study and answer questions
- Participate in class conference



Calendar and reading list

- Schedule is **very** tight: no time to get behind
- Barring emergencies, we will proceed through the calendar on the Web page as scheduled
- Use office hours, work sessions with assistants, or tutoring to clear up remaining confusions on past classes
 - Material is highly cumulative
 - Don't let confusions propagate!





What is economics?

Economics as a social science

- As social science, economics focuses on human interactions and collective human decisions
- How to allocate society's limited resources to best satisfy its wants?
 - We take wants as given
 - In static analysis, resources are given
- Resource allocation is “Who uses what to make what for whom?”
- Interaction of decisions made by households, firms, governments



Microeconomics vs. macroeconomics

- Microeconomics: Studies interactions at individual level
 - Study of single household, single firm, market for single good or resource
 - Looking at “trees” rather than “forest”
- Macroeconomics: Summarizes behavior of aggregate economy
 - Focus on aggregate variables such as total output of goods and services, employment, unemployment, inflation, wages, interest rates
 - Looking at “forest”



What comes next?

- Wednesday, September 2
 - Read Dasgupta book (e-book or paper)
 - Case of the day: Trust in economic transactions
 - Answer questions on Moodle before Wednesday class
- Problem Set #1
 - Due Wednesday, September 9
 - Some basic math applied to economics

