



e-mail: [philip.graves@colorado.edu](mailto:philip.graves@colorado.edu) or [philipegaves@gmail.com](mailto:philipegaves@gmail.com) (I am usually online 24/7...definitely the "quick response" media)

**NOTE: 1) The final exam date is: Tuesday December 16th 4:30pm-7:00pm. All exams are in our usual classroom. This information is repeated at the end of the syllabus...there are no makeups...do not make plans (airline tickets, etc.) that involve leaving early. The Economics Department has recently instituted more stringent grading requirements that I must follow. The grade of IW has been completely eliminated, while the grade of IF will only be given in situations in which a student is unable to complete a course for reasons completely beyond their control. Such situations must be discussed with me immediately, or an F will be assigned for the course grade. If you have three or more finals in one day, it is the *last* final that is to be changed according to University policy, so there is likely to be a need for make-ups this semester;**

**2) Students with disabilities who qualify for academic accommodations must provide a letter from Disability Services (DS) and discuss specific needs with me, preferably during the first two weeks of class. DS determines accommodations based on documented disabilities (303-492-8671, Willard 322, [www.colorado.edu/sacs/disabilityservices](http://www.colorado.edu/sacs/disabilityservices)). Campus policies (including those involving the new student honor code, plagiarism, classroom behavior policies, and the like) can be viewed at: <http://www.colorado.edu/policies/index.html>. Direct any questions you have about these policies to me or to our very competent and helpful advisors in the Economics Department.**

**3) Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, it is unlikely that this will be a problem, since I do not take attendance in any event. Should we be voting for a test date that conflicts with religious observances, point this out to me and that date will be eliminated from consideration. See full details at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html)**

**4) Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender variance, and nationalities. Class rosters are provided to the instructor with the student's**

**legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at:**

**<http://www.colorado.edu/policies/classbehavior.html> and**

**at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)**

**5) All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html>**



80-82 = B-

Etc.

**(NOTE: THE PRECEDING *COMPLETELY* DETERMINES YOUR GRADE--  
THERE IS  
NO "EXTRA CREDIT," ETC.)**

Brief Course Outline and Reading Assignments (not a substitute for class notes--see the web for guidance and read your book--it is really quite a fun book!).

A CHECKLIST OF HOW TO DO WELL IN THIS (or any) COURSE:

1) How much time do you invest in this course? [The average student who does not naturally take to economics but still gets a grade of B or better spends nine hours *outside* of the classroom].

2) Do you come to class? [This is more valuable than is the case for some courses...anecdotes make the material more understandable].

3) Do you come prepared? [Stay current. If you are studying Chapter 3 when the lecture is on Chapter 6, it will harm your performance. While not needing perfection, do the best you can to have read the material being covered in lecture].

4) When do you study for this class? [Break up your study time, to keep it fresh. Don't study when you are tired].

5) How do you study? [Study by doing. Work problems, like in physics, chemistry, or engineering. Go back and forth between problems, examples, and text. Aplia will help on this].

6) Do you work for understanding? [When you get a problem right, sometimes by trial and error, go back over the problem and see why the method you employed worked].

7) Can you explain it to others? [If you can explain it to others, perhaps in a study group, you will *really* know it].

8) Have you worked on your self-confidence? [Before you look up the answer to a question, assign a "confidence factor" to your work...on a scale of 1-10 how confident are you that you are right? Be honest with yourself. The more often you prove yourself right, the less test anxiety you will have].

9) Do you cram for tests? [Don't. It will not work in economics, and perhaps not in any analytical field. Study regularly, with greater review being the only difference in your study habits prior to a test. Cramming for tests leads to fatigue, test anxiety, and stupid mistakes. Get plenty of sleep. Treat being in school as having a full-time job...put in your time regularly and you won't need or want to cram].

A rough guide to topics we will cover (see the website "printable" handout for lecture guides and the PowerPoints will be made available):

## I. ECONOMIC WAY OF THINKING--HOW DOES THE WORLD "WORK?"

What is "economics?" How people make decisions made necessary by the fact of scarcity--Principles:

- \*people face tradeoffs,
- \*opportunity costs are only relevant cost concept,
- \*rational people think "at the margin," and
- \*people respond to incentives.

How people interact--Principles:

- \*trade generally makes everyone better off (trade creates wealth, and is voluntary),
- \*markets have desirable properties,
- \*government can sometimes--though more rarely than most people realize--improve on market outcomes.

How the economy as a whole works--Principles:

- \*income and output are identical,
- \*too much money causes inflation,
- \*unforeseen policies can affect the economy in the short run.

Science, "realism," and models. Logical pitfalls (fallacy of composition, post hoc ergo propter hoc, wishful thinking and secondary effects or law of unintended consequences). Scarcity implies choice which, in turn, implies opportunity costs. The "market" as one means of solving problems stemming from scarcity (spontaneous order versus hierarchy). The central economic questions we will examine are What, How, For Whom, (and When)? Consumer and firm goals and the spontaneous coordination provided by the competitive market. Property rights and incentives. Positive and normative economics (benefits and costs and their distribution). Efficiency (Pareto, Kaldar) and equity. Why economists disagree (theory, estimates, and values). The gains from trade and *comparative* advantage. Introductory illustrations: Determinants of the number of children to have, minimum wages, progressive income taxation, international trade. Graphs: production possibility frontier and circular flow. Philosophical issues (What is "value?").

## II. DEMAND AND SUPPLY--THE BASICS

Demand, Supply, and Market Equilibrium (maximizing and coordinating). The "shifts" versus "movements along" confusion clarified. From individual to market demand. Price controls. Elasticity. Government policy applications (farm policy, rent controls, minimum wages, tax incidence, prohibition of goods). One reason why some don't like supply and demand. Intertemporal resource allocation and the price system: interest, compounding, discounting and the role of entrepreneurs and speculators.

Consumer surplus, producer surplus, and the gains from voluntary trade. Demand curve as willingness-to-pay. Supply curve as marginal cost, hence willingness-to-sell. Consumer surplus and the paradox of value. A rationale for income transfers? Application: Incidence and welfare cost of taxation. Application: International trade. Theory of comparative advantage. S&D analysis of trade and tariffs. Developing countries. Exchange rates and the international financial system (probably will not get to much on this).

#### IV. CONSUMER CHOICE AND DEMAND

Note: we will do this material a bit differently from the book. Preference assumptions. Utility and the law of diminishing marginal utility. Rule of rational life. Can consumers do this (animal experiments)?

#### V. PUBLIC ECONOMICS

## VII. INPUT MARKETS, INCOME DISTRIBUTION, SOCIAL ISSUES

Marginal productivity theory. Compensating differentials. Discrimination. Human capital. Land, natural resources, and "economic rent." Capital, interest, and profits. Inequality and poverty. Environmental and international trade issues.

**(Final exam: Tuesday December 16th, 4:30pm-7:00pm, in our regular classroom)**