

SISG-773 Introduction to Economic Theory
Section 1: Faculty Information
Asynchronous Faculty Member: John Willoughby
Synchronous Faculty Member: Rachel Feldman

About the Professor

Rachel is a Ph.D. candidate at Georgetown University. Her research focuses on applied microeconomics, specifically energy and environmental economics. You can reach her at rfeldman@american.edu.

Section 2: Course Information

Course Description:

This course is designed for SIS graduate students who need to learn basic economic theory, but either did not take economics as an undergraduate or need a refresher in the fundamental principles of modern economic theory.

Economics is a complex discipline that studies how humans organize their material life. By material life, I mean those processes associated with the production, distribution and use of goods and services. Economists study how we humans organize this crucial aspect of our existence, and how this organization has changed over time. This means that economists consider alternative methods of producing and distributing goods and evaluate which methods can better attain goals such as efficiency and fairness. Because most economists study the modern period, economics particularly focuses on the ways in which markets organize our material life.

I have divided this course in two sections: microeconomics and macroeconomics. The first half of the course will examine how we can analyze the functioning of individual markets. We will examine concepts such as efficiency, comparative advantage, market structure and market failures.

The macroeconomic section of the course examines how the market system normally generates both long-run growth and short-run instability. Key concepts in this part of the class are: GDP, unemployment, inflation, fiscal and monetary policy, and the balance of payments.

This course will:

- Improve your understanding of key concepts that economists use to assess how an economy is functioning.
- Provide an analytic framework for understanding how markets allocate commodities
- Explore public policy issues related to problems associated with market failures
- Introduce models that explain issues related to employment and price stabilization
- Enhance your knowledge of key economic domestic and international policy-making institutions
- Provide a framework for more deeply understanding the dynamics of growth and development

Learning Outcomes Students who successfully complete this course should be able to:

- Use supply-demand analysis to explain how market equilibrium changes
- Demonstrate how different market structures produce distinct economic outcomes
- Be able to use the concept of market failures to assess alternative policy proposals
- Understand the fundamental workings of monetary and fiscal policy
- Analyze how economic globalization affects macroeconomic policy
- Explain why some countries have developed successfully and others have not

Required Textbook & Course Material David Colander, Economics, 10th Edition (New York: McGraw Hill, 2017). You may use an older edition, just make sure you match the order of the chapters.

Please note: In conjunction with textbooks, students enrolled in SISG-773 are required to have access to the McGraw-Hill Connect platform to complete course assignments. Please explore the best and most appropriate way to purchase the book and connect access. When buying Connect, you should get access to an ebook. For questions students should contact McGraw-Hill Customer Support at (800) 338- 3987.

Course Requirements

- One Essay on Market Failures –: 20%
- One Examination on Microeconomics –: 20%
- One Examination on Macroeconomics –: 20%
- One Essay on Macroeconomic Policy Debates–: 20%
- Connect weekly homework questions–: 10%
- Class participation–: 10%

Note: Details on the due dates will be discussed in class, but are tentatively set on the weekly program below.

A Word on Attendance and Participation

Attendance is required for the synchronous sessions. Your presence and constructive contributions to the discussion will be evaluated every week. I “flip the classroom” which means

that I will be proposing more questions, that providing answers, in hopes of guiding our weekly conversations. Our live lectures are like a concert, you must sing along, scream and jump and up and down to the music being played by me (Participate, ask questions, tell stories). Otherwise, the class will be boring, and stale. Your engagement during class is key.

A Word on Tests

Tests will be taken during a 24 hour period determined in consensus with the whole class. Completing the exam should not take more than 1.5 to 2 hours. The test will be released via email at the agreed time and day and you are to submit one single pdf file with your answers via 2IR. The file name must have your name as well as each page of your test. You are allowed to take pictures and insert them into your file for graphs and math work if you wish, as long as you clearly box your final answers and the images are legible.

Section 3: Weekly Schedule

Week 1 – Introduction to Key Microeconomic Topics: Rationality, Opportunity Cost and Comparative Advantage

Readings Assignments *Colander, Chapters 1 and 2*

Take a quiz to assess mathematical background. (The results of this test will not be part of the final grade.)

Do electronic assignments for Chapters 1 and 2

Week 2-The Organization of Markets: Key Economic Institutions and Understanding Supply-Demand Analysis

Readings Assignments *Colander, chapters 4 and 5*

Do electronic assignments for Week 2

Week 3- Elasticity and Policy Analysis

Readings Assignments *Colander, Chapters 6 and 7*

Do electronic assignments for Week 3

Week 4- How Do Individuals Actually Behave When Making Economic Decisions: Findings from Behavioral Economics

Readings Assignments *Colander, Chapters 21 and 22*

Do electronic assignments for W 4

Week 5 – The Problem of Market Failures, Providing Public Goods and Analyzing Economic Globalization

Readings Assignments *Colander, Chapters 8 and 9*

Do electronic assignments for Week 5

Practice problems to prepare for test #1 handed out. (Not for grade)

Week 6- Market Structure: Perfect Competition vs. Monopoly

Readings Assignments Colander, Chapters 13 and 14

Do electronic assignments for Week 6

Essay #1 due before Week 7

Week 7- Oligopoly: Strategic Decision-Making in the Real Economic World

Readings Assignments Colander, Chapters 15 and 16

Do electronic assignments for Week 7

Midterm examination: We will determine a 24 hr period for the class to take the exam (After Week 7 and before Week 8).

Week 8- Measuring Aggregate Economic Performance and Inequality

Readings Assignments Colander, Chapters 18, 25, 33, and 34 (just the part on measuring inflation)

Do electronic assignments on Week 8

Watch Inequality for all (<https://www.netflix.com/title/70267834>)

Watch "The 1%" (<https://www.youtube.com/watch?v=XploGgafFsE&t=1s>)

Watch "Happy" (<https://www.netflix.com/title/70243161>)

Week 9 – Sources of Long-Run Growth and Inequality

Readings Assignments Colander, chapter 27

Do electronic assignment on Week 9

Week 10 – Sustainable Growth: The Problem of Global Warming

Readings Assignments The Global Commission on the Economy and Climate, Seizing the Global Opportunity (2015) (<http://newclimateeconomy.report/2015/>)

Watch Willoughby-Hahnel discussion

Week 11 – Introduction to Short-Run Macroeconomics

Readings Assignments Colander, chapter 26

Do electronic assignments on Week 11

Week 12 – Money, Banking, and Monetary Policy Readings Assignments

Colander, chapters 28, 29, and 30

Do electronic assignments on Week 12

Practice problems to prepare for test #2 handed out. (Not for grade)

Week 13 – Fiscal Policy and Policy Problems

Readings Assignments Colander, chapters 31, 32, and the rest of chapter 34 (see week #8)

Do electronic assignment on Week 13

Week 14 – Globalization: Institutional, Short-Run, and Long-Run Issues

Readings Assignments Colander, Chapters 35 and 36

Do electronic assignments on Week 14

Midterm Examination: We will determine a 24 hr period for the class to take the exam (After Week 14 and before Week 15)

Week 15– The Political Economy on Globalization

Readings Assignments Minkiw, Gregory. “Economists Actually Agree on This: The Wisdom of Free Trade.” The New York Times.

(<https://www.nytimes.com/2015/04/26/upshot/economists-actually-agree-on-this-point-the-wisdom-of-free-trade.html>)

Borjas, George. Immigration and the American Worker. Center for Immigration Studies.*

(https://cis.org/Report/Immigration-and-American-Worker?_r=0)

*NOTE: Read the executive summary.

Essay on macroeconomic policy debates due 48 hours after Week #15 Live Session

Section 4: Grading & Performance Measures

Grading Components We grade on an absolute standard. The following percentage scores indicate what quantitative score is associated with a letter grade.

93% - 100% A

90% - 92% -A

87% - 89% B+

83% - 86% B

80% - 82% B-

77% - 79% C+

73% - 76% C

70% - 72% C-

60% - 69% D

<60% -F

Course Evaluations

An American University course evaluation, Input from Students on Teaching (ITS) will be sent in either Week 13 or 14 of the course. Your feedback helps us improve the quality of our courses and instruction. Completing online surveys will take 5-10 minutes and are completely anonymous. The survey link will be emailed to your AU email address. After you click the link, you will be asked to enter your user name and password. After successfully authenticating, you will be presented with all sections with active surveys. You will receive email reminders for surveys that have not been completed.

Attendance Policy

The synchronous sessions are a crucial component of every class in the IR Online degree. Consequently, attendance is mandatory. You will not receive credit for this course unless you ensure that you can participate regularly in these sessions for the entire class period. You are

permitted one excused absence per course. You must arrange an absence in advance with the session instructor and make up for your absence by either participating in another synchronous session or viewing the recording of the synchronous section that you missed. Your instructor has the discretion to decide which option is best. Any emergency absence that has not been arranged in advance will be excused only if you provide a note from a physician or a comparable qualified authority who can verify the reason for your absence.

Academic Integrity Code

All students must adhere to American University's Academic Integrity Code, which you can find at: <http://www.american.edu/academics/integrity/code.cfm>. The code states:

“By enrolling at American University and then each semester when registering for classes, students acknowledge their commitment to the Code. As members of the academic community, students must become familiar with their rights and their responsibilities. In each course, they are responsible for knowing the requirements and restrictions regarding research and writing, examinations of whatever kind, collaborative work, the use of study aids, the appropriateness of assistance, and other issues. Students are responsible for learning the conventions of documentation and acknowledgment of sources. American University expects students to complete all examinations, tests, papers, creative projects, and assignments of any kind according to the highest ethical standards, as set forth either explicitly or implicitly in this Code or by the direction of instructors.”

Please take particular note of Section II.A, which lists violations adjudicated under the academic integrity code. They include:

- Plagiarism (i.e., “the representation of someone else’s words, ideas, or work as one’s own without attribution...”)
- Inappropriate collaboration (i.e., “when work that the professor presumes is original to the student is in fact the product of collaboration so close that the originality is no longer individual to the student...”)
- Dishonesty in examinations (i.e., “the use of inappropriate or unauthorized materials, information, or study aids in a test. Unless the instructor directs otherwise, an examination is assumed to be solely a student’s own work. No communication is allowed among students either through voice, written, electronic, or any other form of transmission, nor are students permitted to consult books, papers, study aids or notes without explicit permission...”)
- Dishonesty in papers (i.e., “submitting material obtained from another person or company or purchased from either. All papers and materials submitted for a course must be the student’s original work unless the sources are cited.”)
- Work done for one course and submitted to another (“This category of violation covers the presentation of the same work in more than one course at any time during a student’s academic career without prior consent from both instructors. When

incorporating their own past research into current projects, students must cite previous work...”)

- Fabrication of data (i.e., “the falsification, distortion, or invention of any information or citation in academic work...”)
- Interference with other students’ or scholars’ work (this includes “but is not limited to acts that deny others access to scholarly resources, or deliberately impede the progress of another student or scholar...”)
- “Bribes, favors, and threats ... with the purpose of affecting a grade or the evaluation of academic performance
- and other academic misconduct (which includes “ any form of academic deceit has violated the intellectual enterprise of the university”)

Diversity and Inclusion

The School of International Service considers the diversity of its students, faculty, and staff to be a strength and strives to make an inclusive environment for everyone. Dimensions of diversity include sex, race, age, national origin, ethnicity, religion, gender identity, sexual orientation, socio-economic class, political ideology, intellectual and physical ability, and primary language. Students are encouraged to speak up and share their perspectives and experiences. This class represents a diversity of backgrounds and experiences, so everyone must show respect for others. If you feel your differences may in some way isolate you from the SIS community, please speak with the instructor to help you become an active and engaged member of our class and community.

Student Conduct Code

To achieve its ends, an academic community requires the knowledge, integrity, and decency of its members. In turn, the community helps individuals develop habits and values that will enable them to pursue personal satisfaction and to contribute to a better world. This Student Conduct Code is designed to benefit the American University community and to assist in forming the highest standards of ethics and morals among its members. It fosters the university’s commitment to excellence and equity and affirms the shared values that make community life possible. Students with alleged violations of the Student Conduct Code should contact Student Conduct and Conflict Resolution Services to receive further information on disciplinary procedures.

Computing and Copyright Policy

This policy prohibits individuals from accessing or attempting to access any account, file, and/or software for which they do not have specific authorization. All AU faculty, staff, and registered students are given computing and network access privileges. Each person is assigned a computer account code (user ID or username) that provides access to university computing resources and systems for instructional, research, and administrative purposes. Access to these resources is a privilege, not a right. Resources include networks, laboratory systems, residence hall systems, library systems, faculty and staff office systems, and software licensed by the university or its agents for use on university systems.

Because the entire AU community relies upon computing resources and systems to use and store important and confidential data, including software and computer programs, it is morally wrong and strictly prohibited for individuals to access or attempt to access or view any account, file, and/or software for which they do not have specific authorization. Also, it is prohibited to disrupt, delay, endanger, or expose someone's work or university operations.

AU Holidays and Inclement Weather

The IR Online program observes holidays when American University is closed. The holidays that fall during academic terms for the program are:

- Martin Luther King, Jr. Day (third Monday in January)
- Memorial Day (last Monday in May)
- American Independence Day (July 4)
- Labor Day (first Monday in September)
- American Thanksgiving Holiday (fourth Thursday and fourth Friday in November)

Note: Inauguration Day (January 20th in the year following a US presidential election) will not be observed by the International Relations Online program

Should a scheduled synchronous class session fall on one of the holidays above, faculty members may reschedule the session or assign alternate work at their discretion.

In the event of a University closing or delay due to a localized weather event in the Washington, DC metro area, IR Online class sessions will continue as scheduled. In the event of a declared emergency, American University will implement a plan for meeting the needs of all members of the university community.

Emergency Preparedness

In the event of a declared emergency, American University will implement a plan for meeting the needs of all members of the university community. Should the university be required to close for a period of time, we are committed to ensuring that all aspects of our educational programs will be delivered to our students. These may include altering and extending the duration of the traditional term schedule to complete essential instruction. Specific strategies will vary from class to class, depending on the format of the course and the timing of the emergency. Faculty will communicate class-specific information to students via the IR Online learning management system, while students must inform their faculty immediately of any absence. Students are responsible for checking regularly and keeping themselves informed of emergencies.

Help Desk

For remote support, students can email helpdesk@american.edu or call 202-885-2550. For on campus assistance, visit the technology support desk in Bender Library.

Online Campus Technology Support

If you have any questions about technology requirements, the 2IR Online Campus or the Adobe Classroom, please contact your Student Support Advisor at studentsupport@ironline.american.edu.

2IR: Located at 2ir.ironline.american.edu this is the student portal used during the program for course information, announcements, class directories, and many more resources. Aside from email, this is the primary way the IR Online Program office communicates updates. It is a good practice to check the 2IR portal every day.

Student Support is available 24 hours a day, seven days a week in order to help with all questions and issues related to 2IR. If students need support and cannot access the OC, Student Support can be reached by calling 1-855-307-AUIR (2847).

Virtual Computing Lab

The Virtual Computing Lab (VCL) is available for online students.¹ The VCL allows students and faculty to access various software applications (SPSS, STATA, Nvivo, etc.) remotely. You can learn more about the VCL here: <http://www.american.edu/vcl/index.cfm>.

Academic Services

Academic Advising

Upon each student's entry to the program, he/she is assigned an Academic Advisor. Your Academic Advisor can help make sense of how your individual classes fit into the overall picture of your degree. If you have questions about your path to degree, your requirements, want to take advantage of any non-traditional academic options (e.g. study abroad, internships), or need help connecting to an on-campus office, you should contact your Academic Advisor directly or reach out to the general

Please note the VCL has limited licenses available and could have access wait times during high usage blocks throughout the year (i.e.: midterms, final exams, project deadlines, etc.). Students expecting to rely heavily upon a particular software package to complete coursework are encouraged to purchase a dedicated license.

Academic Support and Access Center

The Academic Support and Access Center (ASAC) supports the academic development and educational goals of all American University students and is committed to providing access for individuals with disabilities within the university's diverse community.

Disability Accommodations

To access academic accommodations due to a disability, students must follow a three-step documentation process.

Step 1: Submit documentation of your disability. (Documentation may be uploaded as part of Step 2.)

General Documentation Guidelines

Documentation Guidelines for a Learning Disability

Step 2: Complete and return the Student Accommodations Questionnaire.

Step 3: Call 202-885-3360 to schedule an appointment with an ASAC counselor. Students in the online program should specifically say, "I am in the IR Online Program, and I need to schedule a telephone intake for disability accommodations."

Academic Support and Learning Resources

The ASAC also hosts a variety of supports for students. All students can meet with a counselor to discuss time management, learning strategies, note taking, and effective reading skills. To schedule a telephone appointment with a counselor, please call 202-885-3360. Students in the online program should specifically say, "I am in the IR Online Program, and I want to schedule a telephone appointment with a counselor for (note taking skills, effective reading, time management, etc.)." The ASAC also hosts the Writing Lab, which is available to students.

Library Resources

All Bender Library resources can be accessed at <http://www.american.edu/library/>. The library offers online tutorials and access to research librarians. The business librarian at the Bender Library and can be reached at 202-885-3245.

Information of particular relevance to online learners can be accessed at <http://www.american.edu/library/services/online.cfm>.

Library Tutorial: <http://subjectguides.library.american.edu/infolit>