

INTRO TO ECONOMICS

Economics 100
Winter 2009
Room A138

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Office Hours: Daily at 11:30, or by appointment at other times (my classes are at 9:30, 10:30 and 12:30).

What is the nature of our modern economy? We say we live in a “capitalist” or “free enterprise” economic system, but what exactly does that mean? There is also much talk of a “globalized” economy – so what does it mean for the U.S., and for you, to be part of a global economy? Is globalization a good thing for everybody involved? So, an introduction to the development of the world economy is one of the goals of our course.

We also have some more specific questions to ask about how today’s economy works. Why does the national economy fluctuate up and down? Are Depressions still possible, or has the economy outgrown them? What about the role of today’s corporations – how do we encourage them to be “responsible” citizens? And, although it may not sound “economic”, what is happening to our democracy in the face of economic power?

There are other important contemporary issues as well. What determines wage rates and the distribution of income? Is the minimum wage a good idea? How do markets affect the environment, locally and globally? We want to know why the national and international economy acts the way it does, and what effect the actions and policies of governments, multinational corporations, and international institutions have on our economic lives.

We will analyze important current issues -- such as monetary policy, the federal budget, the value of the U.S. dollar, the value of free trade agreements. The course will introduce you to differing perspectives and look at how we have gotten to where we are now. Hopefully, you will gain an understanding of our economic world and an enhanced ability to critically evaluate events and policies.

TEXTBOOKS

The Making of Economic Society, Heilbroner and Milberg.
The Predator State, James Galbraith.

Once the course gets going, we will also read articles that go into current economic issues – the bailouts, the financial crisis, recession, proposed stimulus plans, and whatever else comes up in the course of the quarter. I will put these articles, or links to them, on your MyBCC course site.

CLASS REQUIREMENTS

A. Exams

There will be four one-hour exams during the quarter, and a two-hour final exam. Exams will consist primarily of short essay questions. These will have you briefly explain an economic concept, or apply the concept to a situation. Exams will be based on all the reading and lectures for that segment of the course. The exams are only comprehensive in the sense that the material builds on itself.

The one-hour exams will count 60 points toward your final grade, the final will count 100 points. Please do not miss an exam. If an emergency arises and **you notify me beforehand**, and you complete the rest of the course work, you may be able to make up a missed exam at the end of the quarter. This exam will be significantly different than the original, most likely two or three extended essay questions.

B. Response Papers

You will write three short response papers, 2 typed pages each. These will be based primarily on the Galbraith book (*The Predator State*), or on other articles about the current economy. They will ask you to summarize, analyze (using our economic concepts) and suggest approaches to current economic problems. I will clarify the assignments and set some guiding questions a week or so before they are due. Each paper will count 20 points (I will take off 5 points for each day late, no matter what your reason, so that I don't have to figure out what are valid reasons.).

A note on emailing papers: You may email a paper to me to show that you completed it on time. But, please **bring a hard copy to me** at the next available opportunity.

C. In-class Team Work

Once a week I will set some questions for you to answer or discuss in teams. We will set these teams up (randomly) early in the quarter. Each team will turn in a summary of your answers, at 10 points an assignment, for 100 points over the course of the quarter. You must be present to get credit for these; the point is that you are learning through interaction with your peers.

In the beginning of the quarter these assignments may be based on the text. As the quarter goes on they may be based on articles from current news sources I will ask you to bring to class. You will be prepared to do these assignments if you are keeping up with the class and doing the required reading.

CLASS SESSIONS

I would like our class time together to be as interactive as possible. Please read the assigned material beforehand, and be prepared to discuss it. Come prepared with questions or comments. Bring questions or discussion of current economic news and events into the classroom. Take advantage of office hours. Use E-mail. Get help early if you need it -- either to understand the economic concepts, or to improve your study techniques.

CLASS SCHEDULE

The following chapter assignments are from your textbooks. There may also be articles (assigned in class, and posted on the MyBCC class website) from newspapers such as the *Wall Street Journal* or the *New York Times* once we get into the material, in order to apply what we are learning to current events.

MES: *Making of Economic Society*, Heilbroner and Milberg.

PS: *Predator State*, Galbraith.

WEEK 1 (Jan. 5 – 9)	MES, chapters 1 and 2; PS, chapter 1.
WEEK 2 (Jan. 12 – 16)	MES, chapters 3 and 4; PS, ch. 2.
WEEK 3 (Jan. 20 – 23)	MES, ch. 5 and 6; PS, ch. 3.
WEEK 4 (Jan. 26 – 30)	MES, 7 and 8; PS, 4.
WEEK 5 (Feb. 2 -- 6)	MES, 9; PS, 5.
WEEK 6 (Feb. 9 – 13)	MES, 10; PS, 6.
WEEK 7 (Feb. 17 – 20)	MES, 11; PS, 7 and 8.
WEEK 8 (Feb. 23 – 27)	MES, 12; PS, 9 and 10.
WEEK 9 (Mar. 2 – 6)	MES, 13; PS, 11 and 12.
WEEK 10 (Mar. 9 – 13)	MES, 14; PS, 13.
WEEK 11 (Mar. 16 -- 18)	MES, 15; PS, 14.

EXAMS

One-hour exams:	Wednesday, January 21st
	Wednesday, February 11 th
	Wednesday, February 25th
	Wednesday, March 11th
Final exam	Thursday, March 19 th , 9:30 to 11:30.

GRADES

PAPERS

Wednesday, January 28 th .
Wednesday, February 18 th
Wednesday, March 4th

Your grade will be based on the number of points you earn:

A 460 - 500	B+ 420 - 439	C+ 360 - 379	D+ 300 - 319
A- 440 - 459	B 400 - 419	C 340 - 359	D 280 - 299
	B- 380 - 399	C- 320 - 339	

I do not allow “extra-credit” assignments. Your grade is based on the quality of your work, not its quantity. If you are unhappy with your grade, increase or improve your studying -- I do take account of improvement in your performance over the course of the quarter.

CLASS OUTCOMES

Here is what BCC (the Economics department, in particular) thinks you should be able to do by the end of this quarter:

- Interpret and use major economic statistics such as GDP, inflation rate, unemployment rate, growth rates, exchange rates, trade and budget balances, productivity, money supply and interest rates.
- Identify and analyze theories of the causes of business cycles, and of the impact of monetary and fiscal policies upon the economy.
- Define and evaluate the importance of the basic sources of economic growth, and the impact of macroeconomic and microeconomic policies on economic growth.
- Explain why exchange rates fluctuate, why governments choose alternative exchange rate regimes, and what effect exchange rates have on domestic economies.
- Describe the institutions of international trade; analyze the effects of trade policies and the interactions of trade with political and social systems.
- Identify the economic problems of scarcity, and identify and analyze the alternative methods available to societies and policy-makers of allocating scarce resources.
- Use the economic models of markets, including the forces of supply and demand, to predict and analyze market outcomes.
- Describe and analyze the strengths and weaknesses of a market system, and evaluate the policies of government in modifying market outcomes.
- Identify and explain the impact of cultural and historical forces on the economic problems and options faced by particular societies.