

FALL 2015 Syllabus

ECON 100-001: Economics for the Citizen

Location: Nguyen Engineering Building Room 1101
Class Sessions: Tues & Thurs 9:00 AM to 10:15 AM



Scott A. Burns

Email: sburns13@gmu.edu

Office hours: Tues & Thurs 12:30-2pm at Mason Hall D150, and by appointment

COURSE OVERVIEW

Why should you study economics? The typical response I get whenever I tell someone I study economics is: “*Yeesb*. Why in the world would you ever want to study *that*?” My experience is nothing unique. Economics has long had the reputation of being the “dismal science.” Remember the famous “Anyone? ...Anyone?” scene from *Ferris Beuller’s Day Off*? That was an economics course taught by economist-turned-actor Ben Stein.

This class is my extended answer to that nagging question. Over the course of this semester, we will cover some of the most foundational ideas in economics. Our topics will span the discipline, beginning with a focus on microeconomics before steadily zooming out to the realm of macroeconomics and international trade.

Paul Heyne, the author of our textbook, refers to economics as “the mystery of the mundane.” My goal in this class is to give you a key that will help you unlock these mysteries – both big and small – by exposing you to what Heyne and others call “The Economic Way of Thinking.” Why is there no such thing as a “free” lunch? How many men does it take to make a light bulb (much less a No. 2 pencil)? How does Paris get fed day in and day out (the city...not the malnourished celebrity)? Why are some nations rich and others so desperately poor?

Some economists are fond of saying that economics is like a pair of eyeglasses that you can put on to see the world more clearly. I’d prefer to think of this class as providing you with a top-notch form of Lasik eye surgery.

COURSE READINGS

Required: Paul Heyne, Peter Boettke, and Dave Prychitko, *The Economic Way of Thinking* (EWOt), 11th Edition (Prentice Hall). Anything 11th edition or later will suffice. You can find these earlier versions for cheap online.

Recommended: Steven Landsburg, *The Armchair Economist* (AE). New and used copies are available on Amazon for cheap. This is a short, easy-to-read book that I recommend largely to help reinforce the ideas we’ll be discussing in class and as a guide for some of your writing assignments. But it is NOT required.

Recommended: James Gwartney, et al. *Common Sense Economics* (CSE). Again, new and used copies are available on Amazon for cheap. This is another short yet sweet book that is NOT required.

GRADING POLICY

Your grade will consist of five core parts: three non-cumulative multiple choice exams, a cumulative multiple choice final, and an in-class group presentation – ALL worth 25% of your grade. Okay Mr. Economist, how do you make 5 quarters = \$1? Easy. If you give me all five quarters, I’ll simply give you back the spare change by allowing you to *drop your lowest grade – no matter which of the five grades it might be*. In effect, this means you can skip any one of these five grades, including *any* of the earlier exams or even the final presentation. (If you do choose to entirely skip a grade, the question you’ve got to ask yourself – to quote Dirty Harry – is: “Do I feel lucky?”)

In addition to these four core grades, I will also provide two extra-credit opportunities throughout the semester. The first will be a short (1000 words MAX) essay *either* on F. A. Hayek’s famous article, “The Use of Knowledge in Society,” OR any chapter from Henry Hazlitt’s classic *Economics in One Lesson* (available for cheap online). This assignment will be due by the first exam. The second will give you a chance to write a 500-word Op-Ed article on the topic of your choice related to our classwork, due by the final day of class (Dec. 10th). Your grade will depend on your originality, clarity, and the soundness of your arguments. Each will be worth a maximum of 2.5 points, so the most you’ll be able to earn if you do both projects is a nickel (5 points).

CLASS SCHEDULE

NOTE: ALL EWOT READINGS GIVEN FOR 11TH EDITION!

WEEK	SUBJECT	READINGS
UNIT 1: MICROECONOMICS		
Week 1 (9/01 – 9/03)	'Economic Way of Thinking' Incentives ¹ , trade-offs, & spontaneous order	Required: EWoT ch. 1 Recommended: AE ch. 1-3
Week 2 (9/08 – 9/10)	Efficiency, Exchange and Comparative Advantage	Required: EWoT ch. 2 Recommended: AE ch. 5
Week 3 (9/15 – 9/17)	Supply and Demand: the Yin and Yang of Economics	Required: EWoT ch. 3-4 Recommended: NONE
Week 4 (9/22 – 9/24)	Supply and Demand: Applications and Unintended Consequences	Required: EWoT ch. 5-6 Recommended: AE ch. 10, 12
Week 5 (9/29 – 10/01)	Review	Recommended: CSE pt. 1
EXAM 1: Thursday, 10/01 (SCANTRON)		
UNIT 2: MARKET AND GOVERNMENT		
Week 6 (10/06 – 10/08)	Monopoly and Competition: Property, Prices, and Profit & Loss	Required: EWoT ch. 7-9 Recommended: AE ch. 16-17
Week 7 (10/13 - 10/15)	Prices or Planners? The Great Debate of the 20 th Century	Required: EWoT ch. 10 Recommended: AE ch. 8
Week 8 (10/20 – 10/22)	Market Failure vs. Government Failure Inequality, externalities, and bears (oh my!)	Required: EWoT ch. 11-13 Recommended: AE ch. 9, 13-14
Week 9 (10/27 – 10/29)	Review	Recommended: CSE pt. 3
EXAM 2: Thursday, 10/29 (SCANTRON)		
UNIT 3: MACROECONOMICS		
Week 10 (11/03 – 11/05)	Macroeconomics: Thinking 'Big Picture'	Required: EWoT ch. 14-15 Recommended:
Week 11 (11/10 – 11/12)	Money and Business Cycles: More Money = More Problems?	Required: EWoT ch. 16-17 Recommended: AE ch. 20
Week 12 (11/17 – 11/19)	Political Economy 101: Government as Messiah or MacGruber?	Required: EWoT ch. 18 Recommended: AE ch. 23
EXAM 3: Thursday, 11/19 (SCANTRON)		
UNIT 4: INTERNATIONAL TRADE		
Week 13 (11/24 – 11/26)	NO CLASS. Happy Thanksgiving	
Week 14 (12/01 – 12/03)	International Trade and Finance Economic Growth and Development	Required: EWoT ch. 19-21 Recommended: AE ch. 21;
Week 15 (12/08 – 12/10)	In-Class Presentations	Recommended: CSE pt. 2
FINAL EXAM (SCANTRON) Thursday 12/17 from 7:30-10:15 AM (Location TBA)		

HONOR CODE

Students must adhere to the honor code of George Mason University. Any cases of attempted cheating, plagiarism, lying and/or stealing academic work constitute Honor Code 3 violations. All such violations will be reported to the Honor Committee.

ACCOMODATIONS FOR STUDENTS WITH DISABILITIES

If you are a student with disability who requires academic accommodations, please see me and contact the Office of Disability Resource (ODR) at 703-993-2474.

¹Give me the name of the tariff Ben Stein refers to from *Ferris Bueller* when I ask in class for a free bonus point.