CURRICULUM PROPOSAL COVER SHEET
University-Wide Undergraduate Curriculum Committee

LSC Use Only	UWUCC Use Only
Number _____	Number _____
Action _____	Action _____
Date _____	Date _____

I. TITLE/AUTHOR OF CHANGE

COURSE/PROGRAM TITLE ___EC101 Basic Economics_____

DEPARTMENT ___Economics_____

CONTACT PERSON ___Donald A. Walker_____

II. THIS COURSE IS BEING PROPOSED FOR:

_____ Course Approval Only

_____ Course Approval and Liberal Studies Approval

__X___ Liberal Studies Approval only (course previously has been
approved by the University Senate)

III. APPROVALS

_____   _____
Department Curriculum Committee   Department Chairperson

_____   _____
College Curriculum Committee   College Dean*

_____   _____
Director of Liberal Studies   Provost
(where applicable)   (where applicable)

*College Dean must consult with Provost before approving
curriculum changes. Approval by College Dean indicates that the
proposed change is consistent with long range planning documents,
that all requests for resources made as part of the proposal can
be met, and that the proposal has the support of the university
administration.

IV. TIMETABLE

Date Submitted   Semester/Year to be   Date to be published
to LSC _____   implemented _____   in Catalog _____
to UWUCC _____

Revised 5/88   [Attach remaining parts of
                                proposal to this form.]

LIBERAL STUDIES COURSE APPROVAL FORM

About this form: Use this form only if you wish to have a course included for Liberal Studies credit. The form is intended to assist you in developing your course to meet the university's Criteria for Liberal Studies. and to arrange your proposal in a standard order for consideration by the LSC and the UWUCC. If you have questions, contact the Liberal Studies Office, 353 Sutton Hall; telephone, 357-5715.

Do not use this form for technical. professional. or pre-professional courses or for remedial courses. none of which is eligible for Liberal Studies. **Do not** use this form for sections of the synthesis course or for writing-intensive sections: different forms will be available for those.

PART I. BASIC INFORMATION

A. **For which category(ies) are you proposing the course? Check all that apply.**

LEARNING SKILLS

_____ First English Composition Course
_____ Second English Composition Course
_____ Mathematics

KNOWLEDGE AREAS

_____ Humanities: History
_____ Humanities: Philosophy/Religious Studies
_____ Humanities: Literature
_____ Fine Arts
_____ Natural Sciences: Laboratory Course
_____ Natural Sciences: Non-laboratory Course
__X__ Social Sciences
_____ Health and Wellness
_____ Non-Western Cultures
_____ Liberal Studies Elective

B. **Are you requesting regular or provisional approval for this course?**

__X__ Regular _____ Provisional (limitations apply, see instructions)

C. **During the transition from General Education to Liberal Studies. should this course be listed as an approved substitute for a current General Education course. thus allowing it to meet any remaining General Education needs?** __X__ yes _____ no

If so. which General Education course(s)? _____EC101_____

EC101 Basic Economics

PART II. WHICH LIBERAL STUDIES GOALS WILL YOUR COURSE MEET? Check all that apply and attach an explanation.

All Liberal Studies courses must contribute to at least one of these goals; most will meet more than one. As you check them off, please indicate whether you consider them to be primary or secondary goals of the course. [For example, a history course might assume "historical consciousness" and "acquiring a body of knowledge" as its primary goals, but it might also enhance inquiry skills or literacy or library skills.] Keep in mind that no single course is expected to shoulder all by itself the responsibility for meeting these goals; our work is supported and enhanced by that of our colleagues teaching other courses.

	Primary	Secondary
A. Intellectual Skills and Modes of Thinking:		
1. Inquiry, abstract logical thinking, critical analysis, synthesis, decision making, and other aspects of the critical process.	X	
2. Literacy--writing, reading, speaking, listening		X
3. Understanding numerical data	X	
4. Historical consciousness		X
5. Scientific inquiry	X	
6. Values (ethical mode of thinking or application of ethical perception)		X
7. Aesthetic mode of thinking		
B. Acquiring a Body of Knowledge or Understanding Essential to an Educated Person	X	
C. Understanding the Physical Nature of Human Beings		
D. Certain Collateral Skills:		
1. Use of the library		
2. Use of computing technology		

EC101: BASIC ECONOMICS

II. WHICH LIBERAL STUDIES GOALS WILL YOUR COURSE MEET?

A. Intellectual Skills and Modes of Thinking

1. Students are given broad exposure to the tools and techniques of economic analysis. Central to this is the development of abstract theoretical models designed to explicate basic economic principles, problems, issues and policies. The scope of the course dictates the examination of a variety of micro- and macro-economic models that reflect alternative points of view and suggest different, sometimes conflicting, policy solutions. Students are taught to think deductively, carry arguments to their logical conclusions, appreciate the policy implications of theoretical models, and make critical judgments about which policies are most appropriate under different conditions/assumptions.

2. Given the quantitative nature of the subject matter, it is essential that students learn to listen carefully to ideas and arguments presented in lectures, read and understand abstract and technical material in the textbook, and communicate that understanding on exams and homework assignments and in classroom discussions.

3. The course deals with a variety of basic economic concepts and principles that are quantified and best understood in terms of simple mathematical relationships and models. Therefore, students encounter numerous tables, charts, diagrams, figures, and equations. They are taught to read, understand, interpret and analyze numerical data pertaining to measures of economic activity, theoretical models, problem sets and exercises. To reinforce the analysis of numerical data taught in the classroom and the textbook, the instructors recommend the use of the text's study guide to work out problems and exercises (see attachment for examples).

4. Basic economic models are developed and their policy implications explored within an historical context. The evolution of ideas and their actuation/implementation in governmental policies are viewed from the historical perspective with emphasis on personalities, events, and legislative enactments.

5. The course uses the empirical method to demonstrate how hypotheses concerning economic behavior are developed and tested. This involves examining current data and reviewing existing empirical evidence to see if it is consistent with expected economic relationships and the predictions of basic economic models.

6. The course emphasizes positive (objective) analysis. It demonstrates that alternative theoretical models recommend alternative solutions to real world problems and that policy choices are normative. Students are taught to appreciate that real world decisions reflect individual values and are encouraged to make their own judgments regarding the "best" policy solutions.

EC101: BASIC ECONOMICS

SOURCE MATERIALS

BOOKS

Breit, William, and Roger L. Ransom. The Academic Scribblers, rev. ed. Hinsdale, Ill.: Dryden Press, 1983.

Blinder, Alan. Hard Heads, Soft Hearts: Tough Minded Economics for a Just Society. New York: Addison-Wesley, 1987.

Board of Governors, Federal Reserve System. The Federal Reserve System: Purposes and Functions, 7th ed. Washington, D.C.: Federal Reserve System, 1984.

Boskin, Michael. Reagan and the Economy: The Successes, Failures, and Unfinished Agenda. San Francisco: Institute for Contemporary Studies, 1988.

Ebenstein, William, and E. Fogelman. Today's Isms, 9th ed. Englewood Cliffs, N.J.: Prentice-Hall, 1985.

Fabricant, Solomon. A Primer on Productivity. New York: Random House, Inc., 1969.

Friedman, Milton. Essays in Positive Economics. Chicago: University of Chicago Press, 1953.

Friedman, Milton. Capitalism and Freedom. Chicago: University of Chicago Press, 1962.

Friedman, Milton. Dollars and Deficits. Englewood Cliffs, N.J.: Prentice-Hall, 1968.

Friedman, Milton. Free to Choose. Harcourt Brace Jovanovich, 1980.

Fusfield, Daniel. The Age of the Economist. Glenview, Ill.: Scott Foresman, 1982.

Galbraith, John Kenneth. The Great Crash. Boston: Houghton-Mifflin, 1961.

Galbraith, John Kenneth. Money. Boston, Mass.: Houghton-Mifflin, 1975.

Galbraith, John Kenneth. The New Industrial State, 4th ed. Boston: Houghton-Mifflin, 1986.

Heilbroner, Robert L. The Making of Economic Society. Englewood Cliffs, N.J.: Prentice-Hall, 1984.

Heilbroner, Robert L. The Worldly Philosophers, 5th ed. New York: Simon & Schuster, 1980.

Hughes, James J., and Richard Perlman. The Economics of Unemployment. New York: Cambridge University Press, 1984.

Jevons, Marshall. Murder at the Margin. Thomas Horton and Daughters, 1978.

Lekachman, Robert. Reaganomics: Greed is Not Enough. New York: Pantheon Press, 1982.

Lewis, Arthur W. Development Economics: The Essentials of Economic Planning. London: George Allen & Unwin, 1966

Makin, John H. The Global Debt Crisis. New York: Basic Books, 1984.

Okun, Arthur. Equality and Efficiency: The Big Trade-Off. Washington, D.C.: The Brookings Institution, 1975.

Olson, Mancur. The Rise and Decline of Nations. New Haven, Conn.: Yale University Press, 1982.

Ritter, Lawrence S., and William L. Silber. Money, 4th ed. New York: Basic Books, Inc., 1981.

Rivlin, Alice, ed. Economic Choices 1984. Washington, D.C.: The Brookings Institution, 1984.

Brookings Institution, 1984.

Robinson, Joan. Economic Philosophy. Garden City, N.Y.: Doubleday, 1962.

Sargent, Thomas J. Rational Expectations and Inflation. New York: Harper & Row, 1986.

Schultze, Charles. The Public Use of Private Interest. Washington, D.C.: The Brookings Instsitution, 1977.

Scitovsky, Tibor. The Joyless Economy. London: Oxford University Press, 1976.

Sowell, Thomas. Markets and Minorities. New York: Basic Books, 1981.

Thurow, Lester C. Dangerous Currents: The State of Economics. New York: Random House, 1984.

Thurow, Lester C. The Zero Sum Society. New York: Basic Books, 1980.

Wolfson and Buranelli. In the Long Run We Are All Dead. New York: St. Martin's Press, 1984

PERIODICALS AND DATA SOURCES

Challenge

Business Week

Economic Report of the President

The Economist

The Federal Budget in Brief

Journal of Economic Perspectives

The Margin

Monthly Labor Review

Public Interest

Survey of Current Business

Wall Street Journal

TELEVISION PROGRAMS

Age of Uncertainty, PBS

Economics USA

Free to Choose

Moneyline, CNN

Nightly Business Report, PBS

Wall Street Week, PBS

ATTACHMENT

EC101 BASIC ECONOMICS

Samples of Quantitative Work Involved in the Course.

MATHEMATICS SKILL ASSESSMENT FOR ECONOMICS

This test is designed to identify math skill problems that will cause you to have trouble in this course and to help you eliminate this problem, if possible. In studying economics, you need to be able to do basic algebraic operations and read graphs. Your score on this quiz will <u>not</u> count toward the final grade. However, your score might indicate that your math preparation is inadequate. In that instance, I would recommend that you go to the Learning Center for some remedial work.

Directions

DO NOT WRITE ON THIS QUESTION SHEET.
Record all answers in pencil <u>only</u>.
On your answer sheet, fill in your name and blacken the corresponding places.
Enter your social security in the appropriate space and blacken the
      corresponding places.
Also, enter the department name (ECO), course number, and section number and
      blacken the corresponding places.

Answer the following 6 questions about yourself first:

1. What is your class at IUP?
    a. freshman
    b. sophomore
    c. junior
    d. senior

2. In what college are you enrolled?
    a. Business
    b. Education
    c. Fine Arts
    d. Human Ecology and Health Sciences
    e. Humanities and Social Sciences
    f. Natural Sciences and Mathematics
    g. Other

3. How many years of math did you take in high school?
    a. 1
    b. 2
    c. 3
    d. 4
    e. 0

4. How many math courses have you taken in college?
    a. 1
    b. 2
    c. 3
    d. 4
    e. 5 or more

5. Have you had a high school economics course?
   a. Yes
   b. No

6. Have you taken EC101, EC121, or EC122 (or their equivalents at another college) before?
   a. Yes, I have taken EC101
   b. Yes, I have taken EC121
   c. Yes, I have taken EC122
   d. Yes, I have taken some combination of the above courses
   e. No, I have not taken any of these courses

ALGEBRA

7. $z = 5w - 8$ If $w = 5$, then $z =$
   a. 17   b. 33   c. 10   d. 25   e. 47

8. $z = 8 + 2x + 3y$ If $x = 3$ and $y = 2$, then $z =$
   a. 4   b. 6   c. 12   d. 20   e. 28

9. $y = a + bx$ If $y = 42$, $b = 6$, and $x = 7$, then $a =$
   a. 12   b. 29   c. 0   d. 8   e. 4

10. $y = a + bx$ If $y = 30$, $a = 8$, $b = -2$, then $x =$
    a. 20   b. 11   c. 14   d. -11   e. -7

11. If $z = .5z + 9$, then $z =$
    a. 9   b. 45   c. 18   d. 25   e. can't be determined

12. If $y = .75y - 12$, then $y =$
    a. 48   b. -12   c. 13   d. -48   e. 53

13. If $z - 9 = .5z$, then $z =$
    a. 45   b. 18   c. 5/9   d. 4.5   e. can't be determined

14. If $y = .8y + 3x + 4$, then $y =$
    a. 15x + 20   b. 3x + 4   c. 15x + 4   d. 24x + 32
    e. can't be determined

15. If $2r = 4t - 2r + 12$, then $r =$
    a. 4t + 12   b. t + 12   c. 8t + 24   d. t + 3
    e. can't be determined

16. If $s = .8s - 13t + n$, then $s =$
    a. -65 + t   b. -13t + n   c. -26t + 2n   d. -65t + 5n
    e. can't be determined

17. $h = 2x + 4z$ if $x = 7$ and $z = 3x$, then $h =$
    a. 14   b. 26   c. 98   d. 126   e. can't be determined

18. $y = .7c$ and $c = .4DI$ If $DI = 200$, then $y =$
    a. 100   b. 56   c. 28   d. 250   e. 125

19. If $y = .9c$ and $c = .6DI$, then $y =$
    a. 1.5DI   b. 4.5DI   c. .3DI   d. .54DI   e. can't be determined

20. $y = c + I$ If $c = .5y + 10$ and $I = .3y + 2$, then $y =$
    a. 2c   b. 60   c. 8y   d. 24   e. can't be determined

21. $z = 1/(1 - w)$ If $w = .75$, then $z =$
    a. 25   b. 7.5   c. 8   d. 16   e. 4

22. $t = 4/(1 - w)$ If $w = .6$, then $t =$
   a. 2/3   b. 1   c. 10   d. 40   e. 2.4

GEOMETRY

23. $y = a + bx$ The slope of this line is:
    a. y b. a c. b d. x e. a/b

24. $y = 7x - 6$ The slope of this line is :
    a. 7   b. -6   c. 13   d. 6/7   e. x

25. Point A is (6,1) and Point B is (2,5). What is the slope of the line that connects these two points?
    a. 1   b. 3   c. -1   d. 4   e. -4

Use the following graph for questions 26-28.
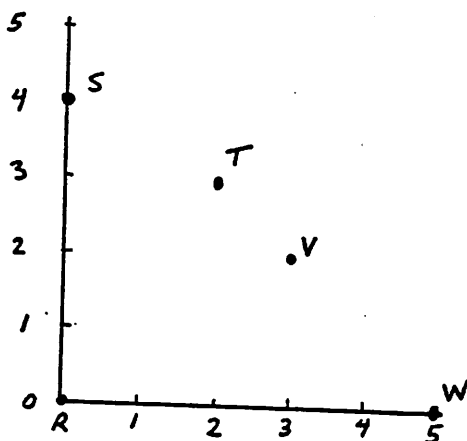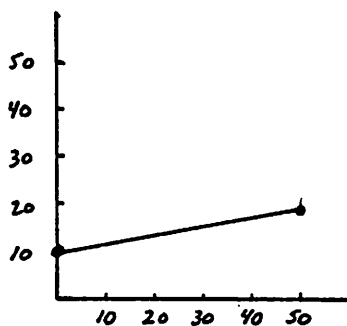

26. The point (3,2) is:
    a. R   b. S   c. T   d. V   e. W

27. The origin is:
    a. R   b. S   c. T   d. V   e. W

28. A point on the y axis is:
    a. S   b. T   c. V   d. W

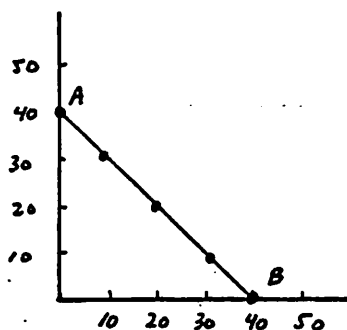29. Which of the following is a graph of the equation y = 20 + x?

(a)

(b)

(c)

(d)
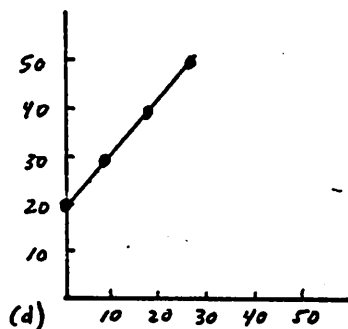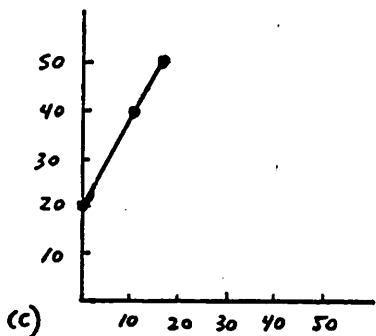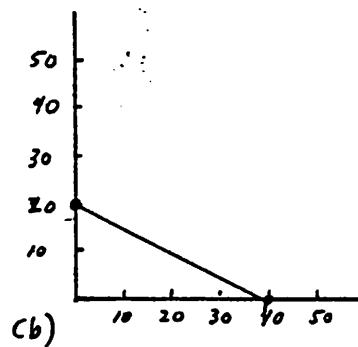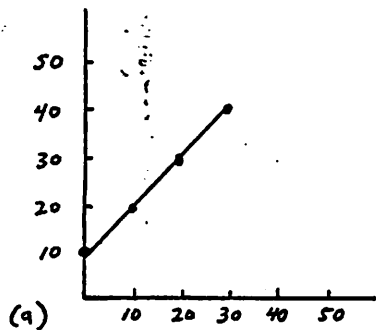
30. What is the equation of the line shown in the graph below?
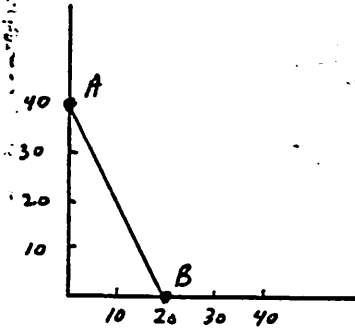

a. y = 10 + 5x
b. y = 10 − 5x
c. y = 10 + x
d. y = 50 − x
e. y = 10 + (1/5)x

31. What is the slope of the line AB in the following graph?
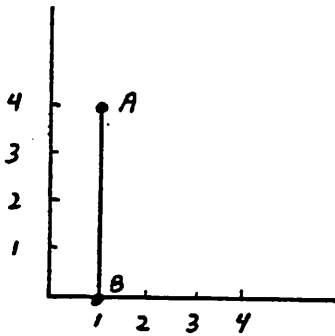   a. 1   b. 4   c. 4/3   d. −4   e. −1

32. In the graph below, the slope of the line AB is:
    a. positive   b. negative   c. infinite   d. zero
    e. can't be determined

33. In the graph below, the slope of the line AB is:
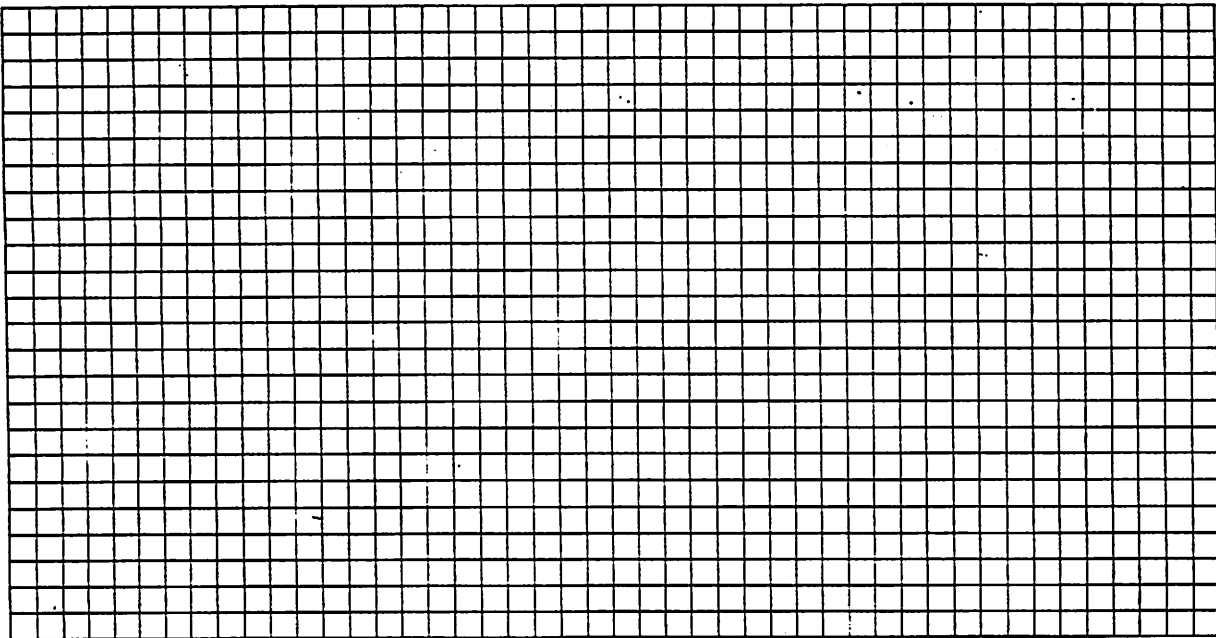   a. 0   b. 1   c. 2   d. infinite

PROBLEMS

Answer questions 1 through 6 using the following competitive market
schedule for new housing units:

Price	Quantity Supplied	Quantity Demanded
$60,000	100	500
70,000	200	400
80,000	300	300
90,000	400	200

1. Graph this market data below:

2. What is the equilibrium price and quantity of new housing? Indicate your
   answers on the graph above.

3. Suppose that a sharp increase in the mortgage interest rate causes the
   quantity of new housing demanded to decrease by 200 units at each price.
   Plot the new demand curve on your graph. Assume that the supply curve for
   new housing remains unchanged.

4. Given the initial equilibrium price, what problem is created by this
   decrease in demand? Why?

5. What is the new equilibrium price and quantity of new housing? Indicate
   your answers on the graph above.

6. Describe the signaling and rationing function of prices, explaining how
   this new equilibrium position was achieved.

2. Using the following figure to illustrate your answer, decribe the pricing and output decision of a pure monopoly. Indicate the amount of monopoly profit on the graph. What would the price and output have been in the long run if the market had been purely competitive? Why?
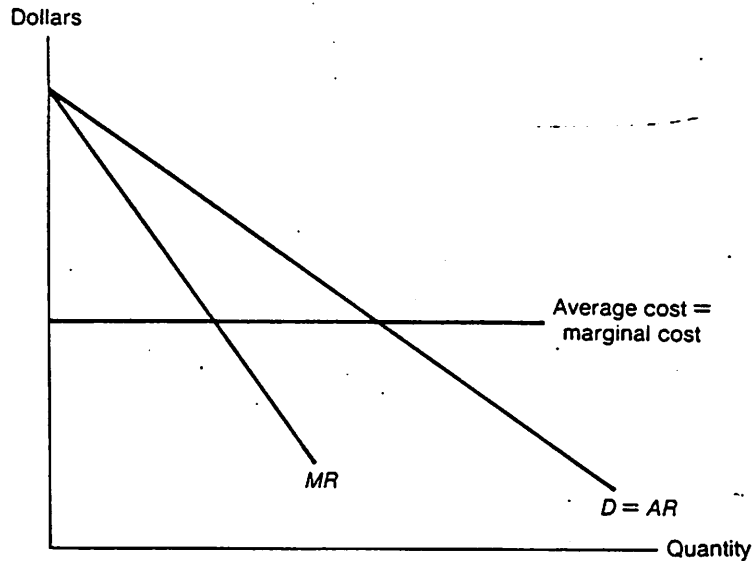
Answer questions 2 through 6 using the following revenue and cost schedule for a monopoly:

Quantity	Price	Total Revenue	Total Cost	Marginal Revenue	Marginal Cost
0	$900	$ 0	$ 0		
1	850	850	600	$___	$___
2	800	1600	1200	___	___
3	750	2250	1800	___	___
4	700	2800	2400	___	___
5	650	3250	3000	___	___

2. Calculate the marginal revenue and the marginal cost of production.

3. Using the MR = MC Rule, indicate the amount of output that the monopoly would produce.

4. What price would the monopoly charge?

5. Given this level of production and price, is the firm making economic profit, breaking even, or taking a loss? By how much?

6. How would the profit-or-loss position of the monopoly change if the firm produced one more (less) unit of output and decreased (increased) the price charged by $50?

9. Economic profit:

    A. is the difference between total revenue and total cost

    B. is the return necessary to cover the opportunity cost of the resources possessed by the person who owns the firm

   C. is a payment for entrepreneurial ability

    D. none of the above

PROBLEMS

Answer the questions below using the following information for a hat shop called The Mad Hattery. Assume that all resources except labor are fixed and that the competitive market wage is $200. Also, assume that the market price for hats is $20.

Labor	Total Output	MPP_L	MRP_L
0	0		
1	30		
2	50		
3	65		
4	75		
5	80		

1. Calculate the marginal physical product of labor and the marginal revenue product of labor.

2. How much would the second worker add to total profit? Why?

3. What would happen to total profit if the fifth worker were employed? Why?

4. How many workers would the hat shop employ? Why?

5. See the following figure which illustrates the employment decision of an individual firm in a purely competitive market. Suppose that the firm initially hires L number of workers. Would this firm increase or decrease the number of workers hired? Why?
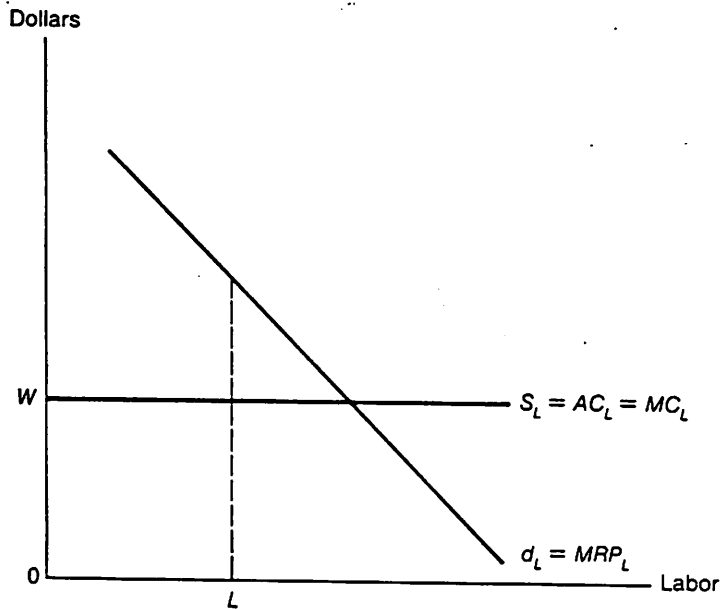
6. See the following figure, which represents the financial capital market for loanable funds. Decribe the effect of a decrease in the demand for loans on the equilibrium interest rate and the quantity of money lent, using the graph to illustrate your answer.
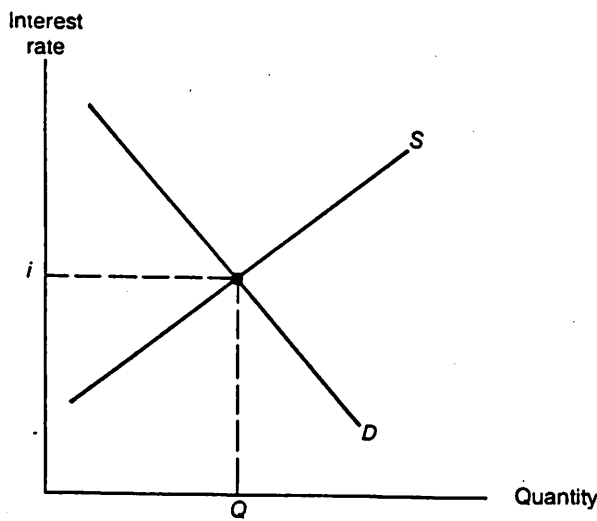
PROBLEMS

For the country of Trogey, total planned consumption equals GNP at $300 billion. It is also known that the marginal propensity to consume is four fifths and autonomous investment equals $40 billion.

1. Develop a table such as Table 9.3 in Chapter 9 of the textbook, which illustrates the Keynesian model without government (billions of dollars). Note that questions 2 through 5 refer to this table.

GNP	C	I
300		
400		
500		
600		
700		
800		

2. Determine the equilibrium level of GNP for Trogey.

3. Indicate why this level of GNP is the equilibrium level, citing how this level of output fulfills the equilibrium conditions.

4. Suppose that autonomous investment increases to $60 billion. Using the following table, calculate the new equilibrium level of income.

GNP	C	I'
300		
400		
500		
600		
700		
800		

5. Compute the income multiplier. Use it to determine the change in equilibrium GNP that would result from a $15 billion decrease in planned investment.

ANSWERS FOR CHAPTER 9

FILL IN THE BLANKS

1. classical
2. Keynes
3. demand
4. consumption

PROBLEMS

The country of Trogey has established a government with the power to spend and tax. Assume that consumption equals $960 billion when GNP is $1,000 billion, the MPC is four fifths, and autonomous investment is $40 billion. In addition, assume that government purchases amount to $60 billion and net taxes are $0 billion at each level of GNP. Government purchases are assumed to be financed through the sale of U.S. securities.

1. Develop a table such as Table 10.3 in Chapter 10 of the textbook, which illustrates the Keynesian model with government (billions of dollars). Note that questions 2 through 4 refer to this table.

GNP	C	Net Taxes	S	I	G	C+I+G
1,000						
1,100						
1,200						
1,300						
1,400						
1,500						

2. Determine the equilibrium level of aggregate GNP.

3. Indicate why this level of GNP is the equilibrium level, citing how it fulfills the equilibrium conditions.

4. Suppose that government purchases were to increase by $20 billion. Compute the new equilibrium level of GNP using the table developed in answer to question 1.

ANSWERS FOR CHAPTER 10

FILL IN THE BLANKS

1. fiscal
2. taxes/transfers
3. automatic stabilizers
4. deficit
5. surplus
6. annually
7. cyclically
8. functional finance
9. recognition
10. administrative
11. operational

PART III. DOES YOUR COURSE MEET THE GENERAL CRITERIA FOR LIBERAL STUDIES? Please attach answers to these questions.

A. If this is a multiple-section, multiple-instructor course, there should be a basic equivalency (though not necessarily uniformity) among the sections in such things as objectives, content, assignments, and evaluation. Note: this should not be interpreted to mean that all professors must make the same assignments or teach the same way; departments are encouraged to develop their courses to allow the flexibility which contributes to imaginative, committed teaching and capitalizes on the streangths of individual faculty.

What are the strategies that your department will use to assure that basic equivalency exists? Examples might be the establishment of departmental guidelines, assignment of repsonsibility to a coordinating committee, exchange and discussion of individual instructor syllabi, periodic meetings among instructors, etc.

B. Liberal Studies courses must include the perspectives and contributions of ethnic and racial minorities and of women wherever appropriate to the subject matter. If your attached syllabus does not make explicit that the course meets this criterion, please append an explanation of how it will.

C. Liberal Studies courses must require the reading and use by students of at least one, but preferably more, substantial works of fiction or nonfiction (as distinguished from textbooks, anthologies, workbooks, or manuals). Your attached syllabus must make explicit that the course meets this criterion.

[The only exception is for courses whose primary purpose is the development of higher level quantitative skills; such courses are encouraged to include such reading, but are not expected to do so at the expense of other course objectives. If you are exercising this exception, please justify here.]

D. If this is an introductory course intended for a general student audience, it should be designed to reflect the reality that it may well be the only formal college instruction these students will have in that discipline, instead of being designed as the first course in a major sequence. That is, it should introduce the discipline to students rather than introduce students into the discipline. If this is such an introductory course, how is it different from what is provided for beginning majors?

E. The Liberal Studies Criteria indicate six ways in which all courses should contribute to students' abilities. To which of the six will your course contribute? Check all that apply and attach an explanation.

   __X__ 1. Confront the major ethical issues which pertain to the subject matter; realize that although "suspended judgment" is a necessity of intellectual inquiry, one cannot live forever in suspension; and make ethical choices and take responsibility for them.

   __X__ 2. Define and analyze problems, frame questions, evaluate available solutions, and make choices

   __X__ 3. Communicate knowledge and exchange ideas by various forms of expression, in most cases writing and speaking.

   __X__ 4. Recognize creativity and engage in creative thinking.

   __X__ 5. Continue learning even after the completion of their formal education.

   __X__ 6. Recognize relationships between what is being studied and current issues, thoughts, institutions, and/or events.

PART IV.   DOES YOUR COURSE MEET THE CRITERIA FOR THE CURRICULUM CATEGORY IN WHICH IT IS TO BE LISTED?

Each curriculum category has its own set of specific criteria in addition to those generally applicable. The LSC provides copies of these criteria arranged in a convenient, check-list format which you can mark off appropriately and include with your proposal. The attached syllabus should indicate how your course meets each criterion you check. If it does not do so explicitly, please attach an explanation.

Part II.

The explanations requested are furnished in Part III (General Criteria) and in response to questions dealing with the Social Science Checklist.

Part III: GENERAL CRITERIA

A   For the past 9 years Basic Economics has been the responsibility of two instructors. The instructors follow a very similar outline since they have co-authored the textbook used, and have, on occasion, team-taught the course. The instructors are currently preparing the second edition of the textbook with Macmillan. Their close collaboration in revising the purpose and content of their text has brought them even closer together in designing a course that will benefit the liberal studies program. The department curriculum committee will evaluate the course outlines each year to assure that all sections will continue to maintain a basic equivalency in the future.

B   In discussing causes of poverty, the course describes the problems which women and minorities face in the labor market (i.e., institutional and overt discrimination). The returns of higher education to women and men are also described in the analysis of the market for college graduates.

C   The primary purpose of Basic Economics is the development of higher level quantitative skills via the construction of a variety of economic models designed to help students analyze current economic issues and policy options. The amount of time required to adequately develop these quantitative skills precludes the inclusion of a substantial work of fiction or nonfiction in addition to the assigned readings described in the course syllabi. An attempt to include such a work would be at the expense of important course objectives. See attachment for examples of the quantitative tools used to teach students how to build economic models for analyzing and solving economic problems.

D   Basic Economics (EC101) is a one-semester survey course designed for students who will not take any other formal instruction in economics. Principles of Economics I and II (EC121 & EC122) are required for beginning majors and other students who plan to take upper level courses in economics; as such, Principles of Economics I and II cover economic theory in much greater detail than Basic Economics.

E-1   The course examines ethical issues concerning a wide variety of topics. The instructors attempt, given the time constraint, to examine the following topics: unemployment, inflation, economic growth, poverty, discrimination, health, education, the environment, the farm problem, government regulation, and international trade. Important economic issues are examined

through positive analysis, which involves causal relationships, to provide a basis to help students form their own opinions concerning policy options (normative analysis).

E-2   The primary objective of Basic Economics is to provide students with the quantitative skills to help them analyze current economic issues and policy options (which forces them to make normative choices).

E-3   Ideas are exchanged through classroom discussion when possible given the average class size of about 55 students.

E-4   Ideas are exchanged through classroom discussion when possible, given the average class size of about 55 students.

E-5   A primary purpose of Basic Economics is to provide students with an analytical framework to recognize relationships which will help them to continue to learn after the completion of their formal education. The quantitative skills built throughout the course should provide the students with tools necessary for examining a variety of problems—problems that may occur in their homes, in their jobs, or in society at large.

E-6   See the answer to question E-5. In addition, the course is designed to examine a wide variety of current issues (described in the answer to question E6). The course also encourages students to read current periodicals to enhance learning (e.g., Wall Street Journal, Newsweek, New York Times).

CHECK LIST -- SOCIAL SCIENCES

Knowledge Area Criteria which the course must meet:

__X__ Treat concepts, themes, and events in sufficient depth to enable students to appreciate the complexity, history, and current implications of what is being studied; and not be merely cursory coverages of lists of topics.

__X__ Suggest the major intellectual questions/problems which interest practitioners of a discipline and explore critically the important theories and principles presented by the discipline.

__X__ Allow students to understand and apply the methods of inquiry and vocabulary commonly used in the discipline.

__X__ Encourage students to use and enhance, wherever possible, the composition and mathematics skills built in the Skill Areas of Liberal Studies.

Social Science criteria which the course must meet:

__X__ Explore the critical thinking and anlytical skills employed by the discipline to offer meaningful explanations of social and individual behavior.

__X__ Acquaint students with the various approaches, perspectives, and methodologies used to examine the intellectual questions and problems of the discipline(s).

__X__ Include, where appropriate, discussion of other cultures and subcultures, including minorities, and the roles of women.

Additional Social Science criteria which the course should meet:

__X__ Illustrate how a discipline shares common theories and methods with other disciplines in the social sciences.

__X__ Promote an understanding of individuals, groups, and their physical and social environment by exploring and analyzing concepts developed in the discipline(s).

INDIANA UNIVERSITY OF PENNSYLVANIA
Department of Economics
Fall Semester 1988

COURSE: Economics 101, Basic Economics

GOALS:

1. To provide an overview of the way our mixed economic system works by looking at the individual, firm, and whole economy.

2. To provide some fundamental analytical concepts and principles to help you in thinking about economic problems for yourself.

3. To help develop an orderly, systematic way of thinking through economic problems and therefore apply concepts and theories.

INSTRUCTOR: Dr. Nicholas Karatjas
Keith 150
357-4781

OFFICE HOURS: MWF   9:00-10:00
TR   12:15- 1:15
and by appointment

TEXT: Basic Economics by James Dyal and Nicholas Karatjas (Macmillan Publishing Co., 1985)

RECOMMENDED: Study Guide/Basic Economics by James Dyal and Nicholas Karatjas (Macmillan Publishing Co., 1985)

COURSE REQUIREMENTS:

There will be four major exams: three during the semester and a final. You are responsible for assigned chapters as well as the lectures. Examinations will be of the objective type. Makeups will be given to persons with valid reasons for missing the scheduled exam. Makeup exams will be made up of problems and essay questions. There may be announced quizzes. Grades on each examination are given on a percentage basis. No letter grades are assigned to individual exams. The semester letter grade is determined by adding the examination grades, dividing by the number of exams to obtain the average score, ranking the class scores, and analyzing that ranking.

Class participation is encouraged. I hope you will express your ideas and opinions in class and watch the news media for topics of interest to the class and bring it to our attention.

EXAMINATION DATES:
(tentative)

First Exam:	Tuesday, October 4
Second Exam:	Thursday, October 27
Third Exam:	Tuesday, November 22
Final Exam:	to be announced

COURSE OUTLINE

TOPIC	CHAPTER
Introduction	1, 2
Why Study Economics?	ST J
Demand, Supply, and Equilibrium Price	3
The Farm Problem	ST E
Production: An Overview	4
How Prices Guide Producers	
Competitive Markets	
Monopoly	5
Productive Service Markets	6
Government and the Mixed Economy	7
Economics of Health	ST B*
Economics of the Environment	ST D*
Income Distribution	ST G*
National Income Accounting/	8
The Business Cycle	
Employment, Inflation, and Output:	9
The Keynesian View	
Fiscal Policy	10
Money and the Banking System	11
The Keynesian and Monetarist	
Approaches to Monetary Policy	
The Aggregate Demand-Aggregate Supply	12
Model	
International Finance	ST H*

*These topics will be covered if time permits.

Dr. J. Dyal

<u>Purpose</u>: To provide you with a foundation for a better understanding of how the economy operates, and to provide the tools for analyzing current economic issues in a systematic fashion.

<u>Topics</u>:

     <u>Section I</u> introduces basic economic concepts and the economic way of thinking with an emphasis on the use of graphs. Topics include the problem of scarcity, resources, technology, production possibilities, the law of diminishing returns, and economic growth.

     <u>Section II</u> examines microeconomic principles with an emphasis on how markets determine the prices and quantity of goods and services produced as well as the prices and employment of our economic resources. We will examine the role of markets in allocating resources to solve the problems of production and distribution under conditions of pure competition and monopoly. The economic tools developed in this section will be used to analyze current economic issues associated with the economic role of government, public finance, the farm problem, the economics of higher education, poverty, and discrimination.

     <u>Section III</u> covers macroeconomic principles with an emphasis on business cycle analysis. The focus will be on the determinants of national income, employment, and the level of prices as well as the role of the federal government and the Federal Reserve Banking System in reducing inflation and unemployment. Other topics include the aggregate supply-aggregate demand model and the problem of stagflation.

     <u>Section IV</u> covers a variety of potential special topics such as comparative economic systems, the economics of health care, environmental economics, government regulation, international finance, and the labor movement. Since it is unlikely that time will permit us to adequately cover more than three of these topics, the choice of topics will be decided by majority vote.

<u>Text</u>: J.Dyal/N.Karatjas, <u>Basic Economics</u>, First Ed. N.Y.: Macmillan, 1985.

<u>Recommended</u>: J.Dyal/N.Karatjas, <u>Study Guide To Accompany Basic Economics</u>.

<u>Office Hours</u>: Mon. 4:30-5:00, Tues. 9:30-11:30, Wed. 4:30-5:00, Thurs. 9:30-11:30, or by appointment. Keith 153, phone 357-4775 or 357-2640.

<u>Examinations</u>: Three objective exams made up of approximately 50 true/false and multiple choice questions. Each exam is weighted equally. Short-essay makeups will be given to persons with valid reasons for missing the scheduled exam. Note: if you must miss the scheduled exam, inform me as soon as possible. All exams will be blocked as follows:

First Exam	Oct. 6 Thurs.	Beard Auditorium (Stoffer)
Second Exam	Nov. 10 Thurs.	Beard Auditorium (Stoffer)
Third Exam	Finals Week	

Grading Procedure: The overall letter grade will be based upon the numerical average of the three exam scores. No letter grade will be assigned to individual exams. A numerical scale for determining the minimum overall letter grade for the course will be described in class.

COURSE OUTLINE:

I. Introduction

Chapter 1: Introduction to Economics
Chapter 2: Basic Economic Concepts
Special Topic J: Why Study Economics?

II. Microeconomics

Chapter 3: Supply and Demand in the Product Market
Special Topic E: The Farm Problem and Public Policy
Chapter 4: The Firm and Long-Run Competitive Market Behavior
Chapter 5: Imperfect Competition
Chapter 6: The Market for Labor and Other Factors of Production
Chapter 7: The Economic Role of Government
Special Topic F: Income Distribution and Poverty
Special Topic B: The Economics of Higher Education

III. Macroeconomics

Chapter 8: National Income Accounts/Business Cycles
Chapter 9: An Introduction to the Keynesian Model
Chapter 10: The Keynesian Model with Government/Fiscal Policy
Chapter 11: Money, Banking, and Monetary Policy
Chapter 12: The Aggregate Supply/Aggregate Demand Model

IV. Special Topics

Special Topic A: Comparative Economic Systems
Special Topic B: The Economics of Health Care
Special Topic D: Environmental Economics
Special Topic F: Government Regulation
Special Topic H: International Finance
Special Topic I: The Labor Movement and Union Objectives

CATALOG DESCRIPTION

EC 101 Basic Economics

Liberal Studies Course Proposal

Scarcity, role of prices in determining production and the
allocation of resources, business cycle analysis, policy
options for reducing unemployment and inflation, economic
role of government, the farm problem, poverty, and
international trade are studied. For those who do not
plan to take more than 3 semester hours of economics.