

San José State University
Department of Economics
Econ 1B—Principles of Economics: Macroeconomics
Section 01—Class Number 27168
Spring 2021

Course and Contact Information

Instructor:	Mark Brady
Office Location:	N/A
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Email:	mark.brady@sjsu.edu
Office Hours:	Online by appointment
Class Days/Time:	Online TTh 9:00 – 10:15 AM
Classroom:	N/A
Prerequisites:	May be taken prior to Econ 1A

Course Description (from the catalog)

Allocation of resources and distribution of income as affected by the workings of the price system and by government policies.

Course of Study

First, we look at how economics has evolved over the past five hundred years. Then we learn some key concepts in microeconomics (price theory). These include opportunity cost, absolute and comparative advantage, and specialization and the gains from trade; supply and demand analysis; elasticity and its applications; taxes and subsidies; and price ceilings and price floors; economic calculation, central planning, and the role of markets and prices in coordinating exchange.

We then explore such topics as externalities; competition, monopoly, and price discrimination; the economics of labor markets and discrimination; public goods and the tragedy of the commons; and some issues in public policy. Throughout the course, we apply economic analysis to understand the world around us.

Course Goals and Learning Outcomes

The goal is to promote both economic understanding and application (Econ SLO 1 & 2). Specifically, students are expected to gain familiarity with analytical methods and model-based argument; and relationships between verbal, graphical, mathematical and statistical representations of economic ideas and analysis (Econ SLO 1.3).

Course Learning Outcomes

Upon successful completion of this course, students should have an understanding of the principal ideas in microeconomics, including

- **why incentives matter** (law of demand; law of supply; rational decision makers weight marginal costs versus marginal benefits; the power of self-interest)
- **opportunity cost** (sunk costs; production possibilities; the free-lunch fallacy; tradeoffs in consumption and production; gains from interpersonal and international trade; comparative advantage)
- **supply and demand** (understanding the S&D model as a representation of individual choices in exchange based on individual preferences, knowledge and circumstances; ability to examine current events using S&D tools; movement versus shift; welfare analysis)

Required Texts/Readings

Required Text

Our textbook is Tyler Cowen and Alex Tabarrok, *Modern Principles: Microeconomics*. The fifth edition (2021) is the most recent and costs more, but the buy-back price is higher. If you're short of money, buy either the fourth edition (2018), third edition (2015), or the second edition (2013), but avoid the first edition (2010), which is significantly different. Or you may choose to rent the e-text of the fourth or fifth edition.

Make sure that you are buying the **Micro** and not the Macro text. I've had students buy the wrong book. Of course, you would never do that!

Anyone can access the authors' website *Marginal Revolution University* at <https://mru.org> and watch hundreds of short videos for free. And go here for their course in the principles of microeconomics: <https://mru.org/principles-economics-microeconomics>

We work our way through Chapters 1-8, 10-14, and 17-18 (2nd ed.) /18-19 (3rd, 4th, and 5th eds.) We touch on ideas in Chapter 9 and other chapters.

Other Readings

I also assign supplementary readings and the occasional video on the web.

Course Requirements and Assignments

“Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities.” More details about student workload can be found in University Policy S16-9, Course Syllabi at <http://www.sjsu.edu/senate/docs/S16-9.pdf>.”

There are three components to your grade: three exams (70%), one or more writing assignments (20%), and your ten best quizzes (10%). Since the campus is on lockdown, there will be no Saurman provocative lectures for you to attend, and no extra credit in respect of attending those talks.

The **three exams** consist entirely of multiple-choice and multiple-answer questions created by your instructor. The first (shorter) exam on **Thursday, February 25**, examines what you have learned since the beginning of the semester and is worth 15%. The second (shorter) exam on **Thursday, April 8**, examines what you have learned since the first exam and is worth 25%. The final exam on **Thursday, May 20**, is comprehensive but with a major emphasis on what you have learned since the second exam and is worth 30%.

The **writing assignment** is worth 20%. I shall provide full details soon. The Writing Center is there to help you. <http://www.sjsu.edu/writingcenter/>

There are at least fifteen objective **quizzes** worth a total of ten points. Each quiz is worth one point, allowing students to drop or miss at least five quizzes. Quiz scores are calculated pro rata so that 10/10 on a quiz is worth one point, and 5/10 is worth one point. Quizzes are based chiefly on the assigned readings and lectures. **There are no make-ups for any quizzes.**

Many quizzes are based on my lectures. Others are based on chapters from Cowen and Tabarrok, *Modern Principles: Microeconomics*, and test your knowledge of key concepts. And one quiz is based on a video that you watch outside of class.

Grading Policy

Converting number grades to letter grades:

95-100	A+	90-94	A	85-89	A-	
80-84	B+	75-79	B	70-74	B-	
65-69	C+	60-64	C	55-59	C-	
50-54	D+	45-49	D	40-44	D-	0-39 F

If every student does first-rate work, I'd be delighted to award everyone an A.

I am happy to help you. If you experience any difficulty in this course, please do not hesitate to come to me for help. I am available after our Zoom sessions and by email, and I am always happy to clarify difficult concepts, resolve any lingering confusion, or otherwise assist you in making this course enjoyable and rewarding.

“A minimum aggregate GPA of 2.0 SJSU Studies (R, S, & V) shall be required of all students as a graduation requirement.” To see full text, review [University Policy S11-3](http://www.sjsu.edu/senate/docs/S11-3.pdf) at <http://www.sjsu.edu/senate/docs/S11-3.pdf>.

Classroom Protocol

Class attendance is not mandatory and will not directly affect a student's grade. However, students who miss several classes, and don't listen to the recorded lectures, will likely consign themselves to doing poorly on their exams. I therefore strongly encourage students to attend every class or listen to the recorded lectures.

University Policies <http://info.sjsu.edu/>

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current academic year's Catalog at <https://catalog.sjsu.edu/>. Add/drop deadlines can be found on the Registrar's spring 2021 calendar here: <https://www.sjsu.edu/registrar/calendar/Spring-2021.php>.

And the academic year 2020/21 calendar is here: https://www.sjsu.edu/provost/docs/Academic_Calendar-AY2020-21.pdf.

The Late Drop Policy is available at <https://www.sjsu.edu/aars/forms-resources/late-drops.php>. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at <http://www.sjsu.edu/advising/>.

Consent for Recording of Class and Public Sharing of Instructor Material

University Policy S12-7, <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course.

“Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”

“Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.”

Academic integrity

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The University's Academic Integrity policy, located at <http://www.sjsu.edu/senate/docs/F15-7.pdf>, requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at <http://www.sjsu.edu/studentconduct/>.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Policy S07-2 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at <https://www.sjsu.edu/aec/students/register-with-aec/index.php> to establish a record of their disability.

Course Schedule—and this is subject to change with fair notice

Week	Dates	Topics, Readings, Exams, Deadlines
1	Monday, January 25 Wednesday, January 27 Thursday, January 28	Academic year begins—Spring semester begins First day of instruction—classes begin Late Registration begins on MySJSU after 7am (ends February 15) Automated waitlists process started (ends February 4) First day of class—Introduction to the economic way of thinking
2	February 2 & 4 Friday, February 5	Production possibilities frontiers and comparative advantage Permission number required to enroll
3	Monday, February 8 Tuesday, February 9 February 9 & 11	Last Day to Drop Classes without a W grade Late Drop Petition Required Supply and demand
4	Monday, February 15 Tuesday, February 16 February 16 February 18	Last Day to Add Classes via MySJSU Last Day to Submit Audit or Credit/No-Credit Option Request Last Day to Submit Instructor Drops Late Add Pre-Census Request requirement begins Market period and sellers' reservation demand; Veblen and Giffen goods Elasticity and its applications
5	Tuesday, February 23 Wednesday, February 24 February 23 February 25 February 25 or later that week	Enrollment Census Date Late Add Post Census Request Requirement begins Elasticity and its applications Taxes and subsidies First (shorter) exam (15%)
6	March 2 March 4	Taxes and subsidies Price ceilings and floors
7	March 9 & 11	Economic calculation, central planning, and the role of markets and prices in coordinating exchange
	Sunday, March 14	2 AM: Clocks go forward by one hour (PST → PDT)
8	March 16 & 18	Externalities
9	March 23 & 25	Production and costs; competition
10	March 29—April 2 Wednesday, March 31	Spring Recess—no classes Cesar Chavez Day—campus closed
11	April 6 & 8 April 8 or later that week	Monopoly and price discrimination Second (shorter) exam (25%)
12	April 13 & 15	Further topics in industrial organization
13	April 20 & 22 Thursday, April 22	Labor markets Semester Withdrawal Deadline Last day to submit Late Enrollment Post Census for current semester
14	April 27 & 29	Labor markets
15	May 4 & 6	Public goods and the tragedy of the commons
16	May 11 May 13	Economics of ideas and intellectual property Last day of this class
17	Monday, May 17 Tuesday, May 18 May 19-21, 24-25 Thursday, May 20 May 26	Last day of instruction—last day of classes Study/Conference Day (no classes or exams) Final examinations Final exam (30%) Final examinations make-up day