

Economics 1: Principles of Economics

Wheeler Auditorium MW11-12
University of California at Berkeley
Spring 2012

Course websites:

bspace: <https://bspace.berkeley.edu/portal/site/807cbf25-1161-4508-8c1e-5b71c42e5fe1>

delong: <http://delong.typepad.com/sdj/econ-1-spring-2012/>

Lecturer: J. Bradford DeLong delong@econ.berkeley.edu 925-708-0467 Evans 601 W2-4

Head GSI: Lanwei Yang lanwei@econberkeley.edu Evans 534 (Evans Formerly 508-2)

Schedule and Assignments

PART I: MARKETS

W Jan 18: Demand and Supply

* Reading for Section: Dasgupta, Prologue, Macroeconomic history

M Jan 23: Market Equilibrium

* Reading for Section: Dasgupta, Trust, Communities

* Section: How to do problem set 1: demand and supply

* Section: First short essay "Letter of Introduction" due

W Jan 25: Market Elasticity

* Reading for Section: Dasgupta, Markets

* Section: Problem set 1 due

M Jan 30: Price Ceilings/Floors

* Reading for Section: Dasgupta, Science and technology as institutions

* Section: How to do problem set 2: elasticities, price ceilings/floors/quantity restrictions

W Feb 1: Markets as Win-Win Institutions

* Reading for Section: Dasgupta, Housholds and firms

* Section: Problem Set 2 due

M Feb 6: Governments Create Markets

* Reading for Section: Dasgupta, Sustainable development, Social well-being and democratic government, Epilogue

* Section: How to do problem set 3: win-win/consumer and producer surplus

W Feb 8: Governments Correct Markets

* Reading for Section: Friedman and Friedman, Introduction, The power of the market, The tyranny of controls

* Section: Problem set 3 due

M Feb 13: Governments Override Markets

* Section: Go over sample midterm

W Feb 15: MIDTERM 1

* No section; GSIs get graded midterms to DeLong for review by Monday Feb 20

PART II: BUSINESSES AND HOUSEHOLDS

W Feb 22: Consumers

* Reading for Section: Friedman and Friedman, The anatomy of crisis, Cradle to grave

M Feb 27: Businesses

* Reading for Section: Friedman and Friedman, Created equal, What's wrong with our schools?

* Section: How to do problem set 4: consumers and households

* Section: hand back graded exams

W Feb 29: Perfect Competition

* Reading for Section: Friedman and Friedman, Who protects the consumer? Who protects the worker?

* Section: Problem set 4 due

M Mar 5: Monopolistic Competition

* Reading for Section: Friedman and Friedman, The cure for inflation

* Section: How to do problem set 5: businesses/perfect competition

W Mar 7: Monopoly

* Reading for Section: Friedman and Friedman, The tide is turning

* Section: Problem set 5 due

M Mar 12: Oligopoly and Strategy

- * Reading for Section: Seabright, Introduction, Who's in charge?
- * Section: How to do problem set 6: market power, adverse selection, moral hazard

W Mar 14: The Labor Market

- * Reading for Section: Seabright, Part II prologue, Man and the risks of nature
- * Section: Problem set 6 due

M Mar 19: Economic Inequality

- * Reading for Section: Seabright, Our violent past, How did the social emotions evolve?
- * Section: How to do problem set 7: strategy/labor/inequality

PART III: MACROECONOMICS

W Mar 21: What Macroeconomics Is

- * Reading for Section: Seabright, Money and human relationships, Honor among thieves? Honor among bankers?

M Apr 2: MIDTERM 2

- * No section; GSIs get graded exams to DeLong for review by Apr 6

W Apr 4: Aggregate Demand and Aggregate Supply Equilibrium

- * Section: Go over sample midterm
- * Section: Second short essay: "Friedman and Director Friedman and the Politics of Economics" due.

M Apr 9: Shifting the Aggregate Demand Curve

- * Reading for Section: Seabright, Professionalism and fulfillment, Epilogue to parts I and II
- * Section: How to do problem set 8: aggregate demand and supply
- * Section: hand back graded exams

W Apr 11: Aggregate Supply, the Phillips Curve, and Inflation

- * Reading for Section: Seabright, Prologue to part III, The city, Water
- * Section: Problem set 8 due

M Apr 16: Long-Run Economic Growth

- * Reading for Section: Seabright, Prices for everything? Families and firms
- * Section: How to do problem set 9: inflation and unemployment, economic growth

W Apr 18: The Government Budget and the Macroeconomy

* Reading for Section: Seabright, Knowledge and symbols, Exclusion, Epilogue to Part III

* Section: Problem set 9 due

M Apr 23: The Global Savings Glut, the Housing Bubble, the Financial Crisis, and the Recession

* Seabright, Prologue to part IV, States and empires, Globalization and political action

* How to do problem set 10: the government budget

W Apr 25: Policies to Stem the Recession, the Jobless Recovery, the European Financial Crisis

* Reading for Section: Seabright, How fragile is the great experiment?

* Section: Problem set 10 due

WRAP-UP

M Apr 30: REVIEW

* Section: Last short essay: “Seabright and Economic and Moral Philosophy” due.

T May 7 3-6PM: FINAL EXAM