Economics 1: Principles of Economics

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

Re-revised... as of February 28, 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/

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Schedule and Assignments

W Jan 18: What Is Economics?

PART I: MARKETS
M Jan 23: Demand and Supply  (Read Principles of Microeconomics, chs. 1-3)
• Reading for Section: Dasgupta: “Preface”, “Prologue”, “Macroeconomic history”
• Section: First short essay “Letter of Introduction” due

W Jan 25: Demand and Supply II (Keep reading Principles, chs. 1-3)
• Reading for Section: Dasgupta, Trust, Communities
• Section: How to do problem set 1: demand and supply

M Jan 30: Market Equilibrium (Read Principles, ch. 4)
• Reading for Section: Dasgupta, Markets
* Section: Problem set 1 due

W Feb 1: Market Elasticity (Principles, ch. 5)
• Reading for Section: Dasgupta, Science and technology as institutions
• Section: How to do problem set 2: elasticities, equilibrium

M Feb 6: Markets as Win-Win Institutions (Principles, ch. 6)
• Reading for Section: Dasgupta, Households and firms
• Section: Problem Set 2 due

W Feb 8: Governments Create Markets (Principles, ch. 7)
• 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

M Feb 13: Governments Correct Markets (Principles, ch. 8)
• Reading for Section: Friedman and Friedman, Introduction, The power of the market, The tyranny of controls
• Section: Problem set 3 due

W Feb 15: Governments Override Markets (Principles, ch. 9)
• Section: Go over sample midterm

W Feb 22: MIDTERM 1
• No section; GSIs get graded midterms to DeLong for review by Monday Feb 27

PART II: BUSINESSES AND HOUSEHOLDS
M Feb 27: Governments Override Markets (Principles, ch. 9)
• Reading for Section: Friedman and Friedman, The anatomy of crisis, Cradle to grave

W Feb 29: Consumers and Businesses (Principles, chs. 11 and 12)
• Reading for Section: Friedman and Friedman, Created equal, What's wrong with our schools?
• Section: How to do problem set 4: consumers and households

M Mar 5: Perfect Competition (Principles, ch. 13)
• Reading for Section: Friedman and Friedman, Who protects the consumer? Who protects the worker?
• Section: Problem set 4 due

W Mar 7: Monopolistic Competition (Principles, ch. 14)
• Reading for Section: Friedman and Friedman, The cure for inflation
• Section: How to do problem set 5: businesses/perfect competition

M Mar 12: Monopoly (Principles, ch. 15)
• Reading for Section: Friedman and Friedman, The tide is turning
• Section: Problem set 5 due

W Mar 14: Oligopoly and Strategy (Principles, ch. 16)
• Reading for Section: Seabright, Introduction, Who's in charge?
• Section: How to do problem set 6: market power, adverse selection, moral hazard

M Mar 19: The Labor Market (Principles, ch. 17)
• Reading for Section: Seabright, Part II prologue, Man and the risks of nature
• Section: Problem set 6 due

W Mar 21: Economic Inequality (*Principles*, ch. 18)
• Reading for Section: Seabright, Our violent past, How did the social emotions evolve?
• Section: Go over sample midterm

M Apr 2: MIDTERM 2
• No section; GSIs get graded exams to DeLong for review by Apr 6

PART III: MACROECONOMICS

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

M Apr 9: Aggregate Demand and Aggregate Supply Equilibrium (*Principles*, ch. 20)
• Section: Second short essay: “Friedman and Director Friedman and the Politics of Economics” due.
• Reading for Section: Seabright, Professionalism and fulfillment, Epilogue to parts I and II

W Apr 11: Shifting the Aggregate Demand Curve (*Principles*, ch. 21)
• Reading for Section: Seabright, Prologue to part III, The city, Water
• Section: How to do problem set 7: strategy/labor/inequality
• Section: hand back graded exams

M Apr 16: Aggregate Supply, the Phillips Curve, and Inflation (*Principles*, ch. 22)
• Reading for Section: Seabright, Prices for everything? Families and firms
• Section: problem set 7 due.

W Apr 18: Long-Run Economic Growth and the Government Budget (*Principles*, ch. 23)
• Reading for Section: Seabright, Knowledge and symbols, Exclusion, Epilogue to Part III
• Section: How to do problem set 8: aggregate demand and supply

M Apr 23: The Global Savings Glut, the Housing Bubble, the Financial Crisis, and the Recession (*Principles*, ch. 24)
• Seabright, Prologue to part IV, States and empires, Globalization and political action
• Section: Problem set 8 due

W Apr 25: Policies to Stem the Recession, the Jobless Recovery, the European Financial Crisis (*Principles*, ch. 25)
• Reading for Section: Seabright, How fragile is the great experiment?
• Section: How to do problem set 9: inflation and unemployment, economic growth
WRAP-UP
M Apr 30: REVIEW
• Problem Set 9 due.

M May 7 3-6PM: FINAL EXAM