

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/>

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

Schedule and Assignments

W Jan 18: What Is Economics?

PART I: MARKETS

M Jan 23: Demand and Supply (*Principles*, 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 (*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 (*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, Housholds 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: Consumers (*Principles*, ch. 11)

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

W Feb 29: Businesses (*Principles*, ch. 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

* Section: hand back graded exams

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: How to do problem set 7: strategy/labor/inequality

* 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

W Apr 4: What Macroeconomics Is

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

M Apr 9: Aggregate Demand and Aggregate Supply Equilibrium

* 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

* Reading for Section: Seabright, Prologue to part III, The city, Water

* Section: How to do problem set 8: aggregate demand and supply

* Section: hand back graded exams

M Apr 16: Aggregate Supply, the Phillips Curve, and Inflation

* Reading for Section: Seabright, Prices for everything? Families and firms

* Section: Problem set 8 due

W Apr 18: Long-Run Economic Growth and the Government Budget

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

* Section: How to do problem set 9: inflation and unemployment, economic growth

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

* Section: Problem set 9 due

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?

* How to do problem set 10: the government budget

WRAP-UP

M Apr 30: REVIEW

* Section: Problem set 10 due

F May 3

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

M May 7 3-6PM: FINAL EXAM