

## **Econ BC1003: Introduction to Economic Reasoning**

**Instructor:** Professor Belinda Archibong

**Office:** 1003 Milstein Center

**Office Hours:** Via Zoom: Tuesdays from 8am-10am ET and 5:15pm-6:15pm ET. 8am-9am ET by sign-up and 9am-10am ET and 5:15-6:15pm ET free walk-ins: see below for details

**Office Hour Policy:** Tuesdays from 8am-9am ET by sign up here:

<https://www.signupgenius.com/go/10c0b4eaaaa22abfa7-professor10>

and via Zoom in 15 min slots and from 9am-10am ET and 5:15-6:15pm ET free walk-ins via Zoom

**Zoom link to register for all office hours is here:**

**Register in advance for this meeting:**

<https://columbiauniversity.zoom.us/meeting/register/tJItdGprzksGtZEeZtzBF7OddJZitngOycM>

**After registering, you will receive a confirmation email containing information about joining the meeting.**

**Please be sure to cancel your reservation 24 hours in advance if you will be unable to make it to your scheduled time. This is as a courtesy to your classmates as well.**

**Email:** [ba2207@columbia.edu](mailto:ba2207@columbia.edu)

**Teaching Assistant (TA):** Hanin Khawaja

**TA's Email:** [khawh820@newschool.edu](mailto:khawh820@newschool.edu)

**TA Office Hours:** Fridays from 11am-1pm ET, Zoom and by appointment

## Course Description

Why are some countries richer or poorer than others and how can we make poor countries richer? What is the gender wage gap, and what are some factors that might help explain it? How do individuals decide how many hours to work, and how do firms decide how much to pay their workers? What is an optimal tax policy, and why is climate change an economic problem? What causes recessions, and what do unemployment and inflation have to do with it? And what is government's role in the economy? These are just some of the many questions that economics, as the study of incentives and decision making, helps us tackle, and that we will touch on throughout the course.

'This is an introductory course in economics based on a new curriculum developed by CORE (Curriculum Open-Access Resources for Economics). We begin the course with a brief overview of economic history, then consider technological progress, the employment relationship, consumer demand, production by firms, inequality, bargaining power, public policy, growth, inflation, economic fluctuations and financial crises.'

The course incorporates debates and insights from microeconomics (the study of incentives and decision making at the individual, household and firm level) and macroeconomics (the study of the economy as a whole, including topics like unemployment, recessions and inflation). The goals of this course are to ensure that by the end of it, you are able to understand, assess and critically examine some of the general ideas in economic theory and models, and their application to a variety of economic events and policy topics.

**Prerequisites:** There are no prerequisites for the course. Being familiar with basic algebra and a willingness to think creatively about ideas will allow you to excel in the course.

## Readings

The following **required text** is available freely online and available for purchase in hard copy form from Amazon and the Columbia Bookstore. It is also available on reserve through the Columbia/Barnard library system:

Free Online Text: *The Economy* by the CORE team found here <https://www.core-econ.org/the-economy/>

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- Hard copy versions available for purchase on Amazon and on reserve through the Columbia/Barnard library system.

I will suggest chapters from a supplementary text- Hubbard and O'Brien's Microeconomics (pdf posted on courseworks) and Economics (available at the Columbia library) in the recommended, but not required reading.

*Fair warning:* this class has a fair amount of reading. It will be a manageable workload if you keep up with it, but putting it off and trying to cram for the tests will be very unpleasant. The readings will also assist significantly with the homework assignments, quizzes, debates and tests for the course.

## Course Organization

I will devote much of the class time to lecturing on concepts from the assigned readings, but very much encourage class participation. I expect you to come to class prepared to discuss the assigned readings in response to my questions or to those raised by others in the class. Also, I encourage you to take advantage of the Courseworks Discussion Board to post questions and thoughts you have on the relevant class topics.

## Grading and Course Requirements

- 2 Tests (not cumulative): 20% each (40% total)
- 1 Debate: 15%
- 6 Homework assignments: 5% each (30% total)
- 3 Short Quizzes: 10%
- Participation/Discussion: 5%

See the class calendar posted on Courseworks for information on the dates of the test, quizzes, debates and hw due dates. The tests will not be cumulative and test 2's date will be set by the registrar during finals week. I have no control over when the final will be scheduled, so please do **NOT** make end-of-semester travel plans until after the university sets the days and times for the finals. The quizzes will be short 10 minute exercises issued at the beginning of class on the noted dates. Be sure to attend the course on time on those days to take the quiz which will end promptly 10 minutes after the course start time.

### For the Homework Assignments

Each homework assignment will involve a short economics problem from or based on material from the CORE *The Economy* textbook.

### For the Debates

There will also be class meetings set aside for debate, where students will engage in structured arguments on major issues of economic policy through the lens of our economics ideas. You are strongly encouraged to work with the speaking fellows at the Barnard Speaking Center who can work with you to help improve your debate skills and provide you with support to become more comfortable and confident in your speaking abilities (From the Speaking Program). You can find details on the Speaking Center here: <https://speaking.barnard.edu/forstudents/speakingcenter> (see details about the speaking fellows below)

Teams of three or four (or 5) students will oppose each other on topics announced two weeks in advance. Each student will sign up for and participate in exactly **one** debate during the course of the semester. More details on expectations for the debates will be provided in class and the debate format is posted on Canvas/Courseworks.

A link to sign up for the debates will be posted on Canvas/Courseworks. The link can also be found here:

[https://docs.google.com/spreadsheets/d/1cy11UNrPC0fTxJVysh\\_pih8avTs0QTmHzeKgdPBZgGo/edit#gid=0](https://docs.google.com/spreadsheets/d/1cy11UNrPC0fTxJVysh_pih8avTs0QTmHzeKgdPBZgGo/edit#gid=0)

### ***Information about the Barnard Speaking Fellows***

One of the requirements of this course is working with a Barnard Speaking Fellow. The Barnard Speaking Program (founded in 2007) recognizes that speech is a vital part of our everyday lives. Speaking Fellows, thus, are trained peer-to-peer educators who collaborate with students seeking to practice and develop any form of verbal and non-verbal communication within and beyond academic spaces.

Speaking Fellows facilitate workshops for students to reflect on their style of speech, use of verbal and non-verbal language, and to consider how they engage with and listen to their peers. The Speaking Fellows' role is not to prescribe methods of how students should speak. They are not tutors or TAs. Speaking Fellows, rather, value the authentic styles of each speaker and aim to assist students as they articulate what they want to say and explore how best to say it to a particular audience. Authenticity matters more than any form of rhetorical device.

Your Speaking Fellow will visit your course to go over which type(s) of workshops you will be participating in and when in the semester they will be scheduled. During that time they will share how to prepare for the workshop and share a sign-up sheet for your workshop. Preparation instructions, if any, will come at this time. On sign-up day record your Speaking Fellow's email and phone number in case you need to contact them.

**Please note our program-wide attendance policy:** Because workshops are experiential and based on the group dynamic, if you miss your workshop and do not contact your Speaking Fellow, the Speaking Fellow will not be obligated to reschedule your session. If anything comes up about your ability to participate in a workshop, please contact your Head Fellow as soon as possible.

The Head Speaking Fellow for your course is **Hawa Tunkara** ([ht2468@barnard.edu](mailto:ht2468@barnard.edu); **(646) 384 -1077**). Please contact her for any administrative questions or questions about the Speaking Fellows working with your course. If you have other questions about the Speaking Program, please contact DaMonique Ballou, the Program Coordinator ([dballou@barnard.edu](mailto:dballou@barnard.edu); 212-854-8941). For more detailed information about our philosophy, policies, and FAQs, please see our website: [speaking.barnard.edu](http://speaking.barnard.edu).

***The procedure for grade grievances is as follows.*** If you feel that one of your test or homework question answers was graded incorrectly, you will, within one week of receiving your test, write a short memo to the TA explaining why. The TA will review your memo and your quiz/test/hw; the grade could go up, stay the same, or go down. If the grievance remains you may appeal to me with a written memo. I reserve the right to regrade the entire quiz/test/hw. As before, your grade may go up, stay the same, or go down.

**Policy on late assignments:**

If you need more time on the assignments and final project, you will need to optimize in light of the following time-grade tradeoff: You will lose 5% of the total points possible. So for example if the total points possible on an assignment is 10 points, you will lose .5 point for each day the assignment is late—i.e. minus  $\frac{1}{2}$  between Monday 12:01 and Tuesday 12:00 p.m., minus 1 between Tuesday 12:01 and Wednesday 12:00 p.m., etc. Submissions will be accepted until 12:00 p.m. on the Friday, or 4 days after the due date. After that point, your assignment/project will be marked as a zero.

**Tentative Due Dates (See posted Class Calendar on Courseworks for Details)**

- HW1: Issued Sept. 15; due Sept. 29
- HW2: Issued Sept. 29; due Oct. 8
- HW3: Issued Oct. 8; due Oct. 20
- HW 4: Issued Oct. 20; due Nov. 10
- HW 5: Issued Nov. 10; due Nov. 24
- HW 6: Issued Nov. 24; due Dec. 10
- Quiz 1: September 22
- Quiz 2: October 8
- Quiz 3: November 17
- Debate Dates – October 13 (debate 1); November 10 (debate 2); December 8 (debate 3) see Courseworks for details
- Test 1: October 22
- Test 2: Dec. 17- Dec. 23 (TBA as set by the registrar)

**Courseworks Web Page**

The Courseworks web page contains the most detailed and current information about the class including:

- our contact information and office hours;
- lecture topics and readings as well as lecture powerpoint slides;
- class calendar, homework questions and project topics including the schedule of deadlines;

The introduction page includes the basic information about the course including our contact information and office hours. *The syllabus page lists the topic and readings for each session and the schedule of assignments. I will update the schedule and assignments for lectures a week in advance so you should consult it regularly.* Lecture slides will be found under the 'Files and Resources' tab on Courseworks. You may post/are encouraged to post any questions on class material on the Courseworks 'Discussion' page. For any questions sent via email, I will answer them within 48 hours, except over the weekend when you can expect a response between Monday-Friday during regular business hours.

**Honor code**

All exams and assignments in this class are to be completed in accordance with the Barnard Honor Code. Upon registering for a Barnard course, Columbia students commit themselves to the Honor Code. The codes says, in part:

“We, the students of Barnard College, resolve to uphold the honor of the College by engaging with integrity in all of our academic pursuits. We affirm that academic integrity is the honorable creation and presentation of our own work. We acknowledge that it is our responsibility to seek clarification of proper forms of collaboration and use of academic resources in all assignments or exams. We consider academic integrity to include the proper use and care for all print, electronic, or other academic resources. We will respect the rights of others to engage in pursuit of learning in order to uphold our commitment to honor. We pledge to do all that is in our power to create a spirit of honesty and honor for its own sake.”

### **Students with Disabilities**

Students with disabilities who may need disability-related accommodations are encouraged to make an appointment to see me as soon as possible. Disabled students who need test or classroom accommodations must be registered in advance with the Office of Disability Services (ODS) in Milbank 008

### **Topics and Readings (Tentative/Partial)**

(Readings below might be subject to change. Note, I will notify you via Courseworks if there are any changes in the readings below.)

#### **Introduction**

##### 1. Introduction

###### **Required Reading:**

- McKinsey report: “Covid-19 and gender inequality, countering the negative effects”
- Hardey, Bradley and Logan, Trevon, “Racial economic inequality amid the Covid-19 crisis”. Brookings Institution

###### **Recommended Reading**

- Hubbard and O’Brien, Microeconomics, chapter 1

##### 2. The Capitalist Revolution

Topics: income inequality, history’s hockey stick, the technological revolution, economy and environment, capitalism defined, gains from specialization

###### **Required Reading**

- CORE The Economy Chapter 1, “The Capitalist Revolution”

###### **Recommended Reading**

- Hubbard and O’Brien, Microeconomics, ch. 1,
- Hubbard and O’Brien, Economics, ch. 22

##### 3. Technology, Population and growth 1

Topics: Industrial revolution, economic models, prices, costs, innovation rents,

###### **Required Reading**

- CORE The Economy , chapter 2.1-2.5

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 2
  
- 4. Technology, Population and growth 2  
Topics: Malthusian economics, APL, labor and production, preferences, feasible set

**Required Reading**

- CORE The Economy, ch. 2.6-2.11

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 3, 11, ch.17
  
- 5. Scarcity, work and choice 1  
Topics: APL, MPL, MRS, IC, labor and production, preferences, feasible set

**Required Reading**

- CORE The Economy ch. 3.1-3.4

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 17
  
- 6. Scarcity, work and choice 2a  
Topics: income and substitution effects, hours of work and economic growth

**Required Reading**

- CORE The Economy ch. 3.5-3.11

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 17
  
- 7. Scarcity, work and choice 2b  
Topics: income and substitution effects, hours of work and economic growth

**Required Reading**

- CORE The Economy ch. 3.5-3.11

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 17
  
- 8. Social Interactions  
Topics: game theory, prisoner's dilemma, social preferences, public goods, cooperation, ultimatum game, social norms

**Required Reading**

- CORE The Economy ch. 4

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 10, 14

9. Property and power: Mutual gains and conflict 1

Topics: pareto criterion, fairness, feasible allocations, surplus

**Required Reading**

- CORE The Economy ch. 5.1-5.7

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 10, 18

10. Property and power: Mutual gains and conflict 2

Topics: pareto efficiency curve, politics of sharing surplus, bargaining, pareto efficient, gini and measuring inequality

**Required Reading**

- CORE The Economy ch. 5.8-5.14

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 10, 18
- CORE The Economy ch. 19

11. The firm and its customers 1

Topics: economies of scale, isoprofit curves, cost function, profit maximization, marginal revenue, marginal cost

**Required Reading**

- CORE The Economy ch. 7.1-ch. 7.6

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 11-15

12. The firm and its customers 2

Topics: gains from trade, elasticity of demand, price setting, market failure

**Required Reading**

- CORE The Economy ch. 7.7-7.13
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**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 5, 6, 13, 15

13. Supply and demand: Price taking and competitive markets 1

Topics: demand and supply, equilibrium price, price-taking firm

**Required Reading**

- CORE The Economy ch. 8.1-8.6



**Recommended Reading**

- Hubbard and O'Brien, Microeconomics, ch. 3

## 14. Supply and demand: Price taking and competitive markets 2

Topics: taxes, perfect competition, price setting and price taking firms

**Required Reading**

- CORE The Economy ch. 8.7-8.11

**Recommended Reading**

TBA

## 15. The labor market: Wages, profits and unemployment

Topics: wage setting, employment and unemployment, labor market equilibrium

**Required Reading**

- CORE The Economy ch. 9.1-9.8

**Recommended Reading**

- Hubbard and O'Brien, Microeconomics, ch. 17
- CORE The Economy ch. 9.9-9.13

## 16. Banks, money and the credit market 1

Topics: money and wealth, borrowing, impatience, diminishing marginal returns to consumption

**Required Reading**

- CORE The Economy ch. 10.1-10.4

**Recommended Reading**

- Hubbard and O'Brien, Economics, (ch. 25), chapter on "Money, Banks, and the Federal Reserve System"

## 17. Banks, money and the credit market 2

Topics: borrowing and lending, investing, assets, liabilities and net worth, money and central bank, interest rates

**Required Reading**

- CORE The Economy ch. 10.5-10.9

**Recommended Reading**

- Hubbard and O'Brien, Economics, (ch. 25), chapter on "Money, Banks, and the Federal Reserve System" and (ch. 26) on "Monetary Policy"

## 18. Asset market bubbles and crashes

Topics: value of financial assets, bubbles and crashes

**Required Reading**

- CORE ch. 11.5-11.8

**Recommended Reading**

- CORE The Economy ch. 17

## 19. Markets, efficiency and public policy

Topics: market failure, externalities, external effects, property rights, public goods, government policy

**Required Reading**

- CORE The Economy ch. 12.1-12.5, 12.9
- Skim CORE The Economy ch. 20

**Recommended Reading**

- Hubbard and O Brien, Microeconomics, ch. 5, 18
- CORE The Economy ch. 20

## 20. Economic fluctuations and unemployment 1

Topics: unemployment, gdp, aggregate economy

**Required Reading**

- CORE The Economy ch. 13.1-13.2
- Skim CORE The Economy ch. 17

**Recommended Reading**

- Hubbard and O Brien, Economics, (ch. 19-21, 23-24)

## 21. Economic fluctuations and unemployment 2

Topics: unemployment, gdp, aggregate economy

**Required Reading**

- CORE The Economy ch. 13.2-13.4

**Recommended Reading**

- Hubbard and O Brien, Economics, (ch. 19-21, 23-24)

## 22. Unemployment and fiscal policy 1

Topics: multiplier model, consumption and investment spending

**Required Reading**

- CORE The Economy ch. 14.1-14.4

**Recommended Reading**

- Hubbard and O Brien, Economics, (ch. 20-21, 23-24)

## 23. Unemployment and fiscal policy 2

Topics: unemployment, fiscal policy

**Required Reading**

- CORE The Economy ch. 14.5-14.7

**Recommended Reading**

- Hubbard and O'Brien, Economics, (ch.27)

24. Inflation, unemployment and monetary policy

Topics: inflation, business cycle, Philips curve, monetary policy

**Required Reading**

- CORE The Economy ch. 15.1-15.6, 15.8

**Recommended Reading**

- Hubbard and O'Brien, Economics, (ch. 26)