

ARE 201 WEB BASED COURSE SYLLABUS
INTRODUCTION TO AGRICULTURAL AND RESOURCE ECONOMICS
Summer I 2011

Herman Sampson
4332 Nelson Hall
515-4676 (W), 266-6317 (H) until 9:00 p.m.
E-mail: herman_sampson@ncsu.edu

Class Meets: On Web

Office Hours: By appointment

The best thing to do is to email or call me at home before you come by the office to make sure that I am going to be in that day. If you call and I am not in, send me an email message.

Course Description: Introduction to economic principles of marginal benefits and costs with application to consumer and producer decisions. Functions of market exchange systems in determining prices and quantities and creation of wealth. Property rights and opportunities for exchange. The role of government in dealing with agricultural and resource problems. Macroeconomic analysis including inflation, unemployment, money and banking system.

Text and Supporting Resources:

The Mankiw text is optional.

1. Mankiw, N.G., Principles of Economics, FIFTH EDITION, Southwestern/CENGAGE Learning, 2009, available at the NCSU Bookstore and other outlets. This text is optional, you may use this edition, the fourth edition referenced below, or the third edition. Student evaluations over the years have resulted in about 50% of students finding the text “very useful” and about 50% have found it not “very useful”. Cost: ~\$195.00, ISBN: 0-324-58997-2.
!!!OR!!!
2. Mankiw N.G., Principles of Economics, Fourth Edition, Thomson-Southwestern, 2007. This text is optional. Student evaluations over the years have resulted in about 50% of students finding the text “very useful” and about 50% have found it not “very useful”. Cost: ?????, ISBN 0-324-22472-9.
!!! OR !!!
3. Mankiw, N.G., Principles of Economics, Fifth Edition, Thomson-Southwestern, 2009. Electronic Book. You gain access to the ebook by purchasing the book online with a credit card and then the book is downloaded onto your computer through the Adobe Reader. The web site for ordering and downloading the ebook is:

<http://www.cengagebrain.com/shop/en/US/storefront/US?cmd=CLHeaderSearch&fieldValue=mankiw>

Cost: ~\$115.00, ISBN-10: 1-4390-2060-4.

4. Walden, M. L., *Everyday Economics: Applications and Answers for Your Life, Your Money, and Your Government*, **SIXTH Edition**, Kendall/Hunt Publishing Co., 2011. This text is **required** and available at the NCSU Bookstore and other outlets. Cost: ~\$54.01. ISBN 978-0-7575-8235-6. Buy the text with the **GREEN** cover! To see what the book looks like, go to:

<http://www.kendallhunt.com/store-product.aspx?id=18398>

DO NOT purchase older editions of this book. We use this book for labs and the numbers contained in the book are specific to our labs.

Buyers beware of purchasing the WALDEN TEXT from internet vendors. It is my experience with past students that you will sometimes not receive in the mail what you think you ordered over the internet. If the price seems too good to be true, it probably is an older edition of the WALDEN text and page numbers and data tables will not be the same that I am referring to in the assignments and in labs.

5. [Supplementary Readings for ARE 201](#), a set of readings and newspaper articles that demonstrate the economic principles discussed in class and in the primary text. Several assignments will be made requiring you to read from this collection. Electronic copies of the articles will be available the ARE 201 Home page under the "Supplementary Reading" link and e-mailed to you during the semester.
6. [Econweb.com](#) is an on-line economics textbook that maybe very useful to you. There is a micro text and a macro text available. You can subscribe to one or both of the texts over the web for six months at \$9.95 for each text. URL: <http://www.econweb.com/> (**Optional**)
7. **ARE 201 Computer Resources:** There are numerous computer files available for students to use as supportive resources to this course. All assignments made to date will be posted to the web page and sent to you personally via the listserv for the course. Help sheets for practical exercises are available. Class lecture notes are available on the web in html format and Microsoft PowerPoint format. You will be asked to read several reading assignments from the web site. You may be required to complete e-mail assignments during the semester. Your first lab will instruct you on how to use the computer resources that are available. The URL for the ARE 201 home page on the web is:

<http://legacy.ncsu.edu/classes/are201005/index.html>

Requisites and Restrictions

Prerequisites

None.

Co-requisites

None.

Restrictions

None.

General Education Program (GEP) Information**GEP Category**

Social Sciences

GEP Category Outcomes

- List and discuss the functions that an economic system must perform for a society, regardless of economic system employed by that society.
- Define and be able to utilize the concept of opportunity cost in decision-making.
- Calculate, and be able to utilize the concept of private economic efficiency in decision-making for business applications.
- Determine profit-maximizing quantities of inputs and outputs with regard to production decisions using marginal analysis for the basis of this decision-making for business applications.

How This Course Will Fulfill GEP Category Outcomes

Objectively and subjectively assess through homework, lab practicals, and exams.

GEP Co-requisites

This course does not fulfill a General Education Program co-requisite.

Transportation

This course will not require students to provide their own transportation. Non-scheduled class time for field trips or out-of-class activities is NOT required for this class.

Safety & Risk Assumptions

None.

Grading: Your final, numerical grade will be the weighted average of the following evaluation criteria subject to adjustments where explicitly noted:

	<u>Weight</u>
Labs, and Homework Exercises	25%
Exam #1	25%
Exam #2	25%
Final Exam (is not cumulative)	25%

	100%

Failure to turn in three (3) assignments by the due date without an excused circumstance will result in the loss of a letter grade! Assignments include weekly problem sets (referred to as Labs) and any and all homework assignments.

Academic Integrity:

Students are required to comply with the university policy on academic integrity found in the Code of Student Conduct found at

http://www.ncsu.edu/policies/student_services/student_discipline/POL11.35.1.php

Both faculty and students at North Carolina State University have a responsibility to maintain academic integrity. An informational brochure about academic integrity is available from the university and students are encouraged to obtain a copy. Additional information is contained in the NCSU Code of Student Conduct.

Academic Dishonesty:

See http://www.ncsu.edu/policies/student_services/student_discipline/POL11.35.1.php for a detailed explanation of academic honesty.

Scholarly activity is marked by honesty, fairness and rigor. A scholar does not take credit for the work of others, does not take unfair advantage of others, and does not perform acts which frustrate the scholarly efforts of others. The violation of any of these principles is academic dishonesty.

Academic dishonesty includes the giving, taking, or presenting of information or material by a student with the intent of unethically or fraudulently aiding oneself or another person on any work which is to be considered in the determination of a grade or the completion of academic requirements.

The Honor Pledge –

Your signature on any test or assignment indicates "I have neither given nor received unauthorized aid on this test or assignment."

The students and faculty of NCSU believe that the willingness of students to affirm and adhere to the essential values of honesty and integrity in all their academic endeavors is exemplified in the Honor Pledge:

*I have neither given nor received unauthorized aid on this test or assignment
It is university policy that all students sign the Honor Pledge on tests and assignments
for each course as specified by the instructor.*

Your final numerical grade will be converted to a letter grade as follows:

A numerical grade of: **98-100% is equivalent to an "A+"**
93-97% is equivalent to an "A"
90-92% is equivalent to an "A-"
88-89% is equivalent to an "B+"
83-87% is equivalent to an "B"
80-82% is equivalent to an "B-"
78-79% is equivalent to an "C+"
73-77% is equivalent to an "C"
70-72% is equivalent to an "C-"
68-69% is equivalent to an "D+"
63-67% is equivalent to an "D"
60-62% is equivalent to an "D-"
Below 60 is equivalent to an "F"

Letter grades can be adjusted **down** due to failure to turn in required work as previously noted.

Numerical grades will be rounded up to the next whole number if the fractional value is greater than or equal to (.45), and rounded down to the next whole number if the fractional value is less than (.45).

For example: a final numerical grade of 89.45 will be rounded to a 90.00
a final numerical grade of 89.44 will be rounded to an 89.00

GRADES WILL NOT BE "CURVED".

Electronically-Hosted Course Components

This course may involve electronic sharing or posting of personally identifiable student work or other information with persons not taking or administering the course. Students will be asked to sign a consent allowing disclosure of their personally identifiable work. No student is required to sign the consent as a condition of taking the course. If a student does not want to sign the consent, he or she has the right to ask the instructor for an alternative, private means of completing the coursework.

Electronically-hosted Components:

- Class Listserv
- Course Web Site and all material associated with the Course Web Site

Accommodations for Disabilities

Reasonable accommodations will be made for students with verifiable disabilities. In order to take advantage of available accommodations, student must register with the Disability Services Office (<http://www.ncsu.edu/dso>) located at 1900 Student Health Center, Campus Box 7509, 515-7653. For more information on NC State's policy on working with students with disabilities, please see the Academic Accommodations for Students with Disabilities Regulation at http://www.ncsu.edu/policies/academic_affairs/courses_undergrad/REG02.20.1.php.

Anyone experiencing difficulty with the course should contact me as soon as possible so that an appointment for personal attention can be made.

PLEASE: If you have a diagnosed Learning Disability, or have ever been told that you may have a Learning Disability; let me know immediately! You may visit with me in my office, write me a note, call me at home, e-mail me; whichever you feel most comfortable with. All information you provide me is confidential. Again, please let me know as soon as possible.

Non-Discrimination Policy

NC State University provides equality of opportunity in education and employment for all students and employees. Accordingly, NC State affirms its commitment to maintain a work environment for all employees and an academic environment for all students that is free from all forms of discrimination. Discrimination based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation is a violation of state and federal law and/or NC State University policy and will not be tolerated.

Harassment of any person (either in the form of quid pro quo or creation of a hostile environment) based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation also is a violation of state and federal law and/or NC State University policy and will not be tolerated. Retaliation against any person who complains about discrimination is also prohibited. NC State's policies and regulations covering discrimination, harassment, and retaliation may be accessed at

http://www.ncsu.edu/policies/campus_environ or http://www.ncsu.edu/equal_op. Any person who feels that he or she has been the subject of prohibited discrimination, harassment, or retaliation should contact the Office for Equal Opportunity (OEO) at 515-3148.

Requirements for Credit-Only (S/U) Grading

In order to receive a grade of S, students are required to take all exams and quizzes, complete all assignments, and earn a grade of C- or better. Conversion from letter grading to credit only (S/U) grading is subject to university deadlines. Refer to the Registration and Records calendar for deadlines related to grading. For more details refer to http://www.ncsu.edu/policies/academic_affairs/courses_undergrad/REG02.20.15.php.

Requirements for Auditors (AU)

Information about and requirements for auditing a course can be found at http://www.ncsu.edu/policies/academic_affairs/pols_regs/REG205.00.5.php.

Policies on Incomplete Grades

If an extended deadline is not authorized by the instructor or department, an unfinished incomplete grade will automatically change to an F after either (a) the end of the next regular semester in which the student is enrolled (not including summer sessions), or (b) the end of 12 months if the student is not enrolled, whichever is shorter. Incompletes that change to F will count as an attempted course on transcripts. The burden of fulfilling an incomplete grade is the responsibility of the student. The university policy on incomplete grades is located at http://www.ncsu.edu/policies/academic_affairs/grades_undergrad/REG02.50.3.php.

A grade of Incomplete (IN) will be administered on a case by case basis as determined by this instructor.

Class Policy / Course Structure

1. **If you miss taking an exam, you will take a cumulative final exam** and the weight of your cumulative final exam grade will be increased by the weight of the exam you miss. If you miss the exam due to an **excused circumstance**, a make-up exam will be granted. Appropriate documentation will be required.
2. Homework and labs turned in after the due date will **NOT** be graded without an excused circumstance presented in memorandum format. Failure to turn in any combination of three labs and/or homework will result in the loss of one letter grade.
3. Reading and homework assignments will be e-mailed to you at the beginning of each week during the summer session, and will also be available on the ARE 201 web page.
4. Exam dates will be announced at least three days in advance. **Exams will occur on Wednesday, June 2nd, Wednesday, June 16th, and Monday, June 28th.** The location of the exams will be announced and held in an available classroom on campus. The exam may also be arranged with the instructor if that becomes necessary.
5. **Exam times: You may arrive anytime between 1130 am and 1230 pm.** You may have two hours from the time that you arrive to complete the exam unless you have made previous arrangements with me or having the exam proctored off campus. The arrival time range allows those of your working to take extended lunch hours to take the exams. If you arrive at 1130 am, you will have until 130 pm to complete the exam. A classroom has not been scheduled yet for exams. When that information becomes available, I will share it with you.
6. **Absences**
 - **Excused Circumstances:**
http://www.ncsu.edu/policies/academic_affairs/courses_undergrad/REG02.20.3.php
 1. Death in the immediate family.
 2. A medical emergency in the immediate family.
 3. Accident or illness that requires that YOU be hospitalized.
 4. Official University, College, or Departmental functions.
 5. Excused absences under University policy, ie. Military service, court dates, etc.
 6. Prior approval of instructor.

- **Makeup Work**

Makeup Work will be handled on a case by case basis evaluated by the instructor relative to the circumstances that surround any desire by the student to makeup missed work

- **Additional Excuses Policy**

None.

FORMAT FOR EXCUSED CIRCUMSTANCE MEMORANDA:

When communicating with me regarding excused absences, please provide information by **e-mail**, in the format of a memorandum as follows:

DATE
<u>MEMORANDUM</u>
TO: Herman Sampson
FROM: Your name, day and time of class, section number, phone number
SUBJECT: Main subject of your communication
THE INFORMATION YOU WISH TO COMMUNICATE TO ME.

Late Assignments

Failure to turn in three (3) assignments by the due date without an excused circumstance will result in the loss of a letter grade! Assignments include lab practicals and any and all homework assignments.

Attendance Policy

Web based class so attendance is not relevant, however completing your work is.

LEARNING OUTCOMES

Upon successful completion of this course, the student will be able to:

1. Discuss private property rights and their importance to a market economy; the externalities that occur when property rights are not well defined and enforceable; and the rationale behind many of the government rules, regulations and laws that are legislated to rectify negative externalities.
2. Define and discuss basic fiscal and monetary policy, and the policy tools used by government to affect the macro-economy.
3. Discuss the concept of scarcity and classify scarce resources and commodities.
4. List and discuss the characteristics of pure capitalism and a mixed economy.
5. List and discuss the functions that an economic system must perform for a society, regardless of economic system employed by that society.
6. Define and be able to utilize the concept of opportunity cost in decision-making.
7. Calculate, and be able to utilize the concept of private economic efficiency in decision-making for business applications.
8. Determine profit-maximizing quantities of inputs and outputs with regard to production decisions using marginal analysis for the basis of this decision-making for business applications.
9. Develop and utilize skills in graphing, and graphical analysis of data.
10. Discuss the concept of scarcity leading to tradeoffs among production alternatives for a nation, a business firm, and an individual using the production possibilities model.
11. Define, discuss, and utilize the concepts of demand, supply, relative price, nominal price, and inflation in conjunction with decision-making for business applications.
12. List determinants of demand and supply and the appropriate affects these determinants have on demand and supply curves; and conduct basic demand-supply, graphical analysis.

13. Calculate and interpret price elasticity of demand, income elasticity of demand, and cross-price elasticity of demand, and be able to estimate the magnitude and direction of price changes from changes in the determinants of demand and supply.

14. Calculate economic costs of production for machinery and equipment, and use marginal analysis to make profitable business decisions.

15. Prepared to take advanced courses in Economics, Agricultural Business Management, Agricultural and Agribusiness Marketing, and Agricultural and Environmental Policy.

TENTATIVE COURSE OUTLINE

Course Week

1
May 23 to
May 27

Class Introduction

Review syllabus and class policy.

[Lab #1](#)

Thinking Like an Economist

[Lecture Series 1](#)

[Lecture Series 2](#)

Microeconomics and macroeconomics will be differentiated. Normative and positive economics will be differentiated. Basic fiscal policy and monetary policy will be introduced by utilizing current political and economic headlines. Private property rights, negative, and positive externalities will be defined and discussed using recent real world examples. Students will be made aware of the estimated cost of raising a child from birth to 18 years, and an example of the N.C. child support formula will be utilized in an effort to provide adequate pecuniary cost information on which to base personal decisions.

The affect of exchange rate changes on the price of imported and exported commodities will be discussed. Real world examples, such as the recent devaluation of the dollar relative to the Japanese yen will be discussed. The pricing actions of the "big three" U.S. auto makers in 1986 when the dollar weakened relative to the yen will be presented. The use of theory and models will be discussed. Students will be introduced to the consumption-production model.

[Lab #2](#)

Fiscal Policy Overview

[Lecture Series 3](#)

Fiscal policy is defined and discussed. Topics such as the annual federal deficit and the national debt are discussed. Taxes and government spending are discussed within the framework of the federal budget. The consumption-production model is revisited to illustrate how government can affect the economy with its fiscal policy choices.

Course Week

1
May 23 to
May 27

[Lab #3](#)

Fiscal Policy Continued

2
May 30 to
June 3

[Lab #4](#)

Monetary Policy

[Lecture Series #4](#)

The Federal Reserve System and its responsibility to carry out the nation's monetary policy is introduced. Inflation, interest rates, and mechanisms to control the money supply are discussed. The consumption-production model is revisited to illustrate how the Federal Reserve can affect the economy with its monetary policy choices.

2
June 1

[EXAM:](#) EXAM #1 IS TENTATIVELY SCHEDULED. WILL REQUIRE YOU TO ALLOCATE TWO HOURS FOR TAKING THIS EXAM

[Lab #6](#)

Introduction to Economics

[Lecture Series #5](#)

The definition of economics will be presented and discussed in detail. Scarce resources will be defined and classified. The allocation of scarce resources among production alternatives will be discussed. Commodity classifications will be developed. The importance of time to consumption, production, and decision-making will be emphasized. The primary functions of price will be identified and discussed.

Course Week

2
May 30 to
June 3

Our Economic System

[Lecture Series #6](#)

The characteristics of pure capitalism: private property, free enterprise and free choice, self-interest, competition and unrestricted markets, the market system, and the limited role of government will be identified and discussed in detail. An example utilizing Ag. Institute enrollment response to market price changes over time will be used to demonstrate resource reallocation.

Pure communism and mixed economic systems will be discussed relative to pure capitalism.

The following questions will be posed to the class:

- What economic system is practiced in the U.S.?
- How have U.S. political parties affected the general economic system mix of the U.S. over time?

The circular flow of economic activity for a free-market system, and the circular flow of economic activity for a mixed-market system will be illustrated. The affect of taxes and subsidies on the circular flow of economic activity will be discussed and used to partially explain expansionary and recessionary cycles. The consumption-production model will subsequently be related to the circular flow of economic activity

3
June 6 to
June 10

[Lab #7](#)

The Functions of Any Economic System

[Lecture Series 7](#)

The functions that must be performed by any economic system: determine what commodities to produce and how much, organize the production process, distribution of resource, commodities and proceeds from production, provide for maintenance and growth of the economic system, restrict consumption to the supply of resources and commodities available over time, will be identified and discussed in detail.

Course Week

3
June 6 to
June 10

Opportunity Cost

[Lecture Series 8](#)

Lecture will illustrate that economic forces and non-economic forces determine and mold decision-making. The instructor will objectively present controversial and emotional issues to the class, and ask for their input. The "emotional overcoat" concept will be developed and used to illustrate how subjective reasoning can affect decision-making. Students are encouraged to look at issues from an objective economic perspective first, then put their "emotional overcoats" on and make their decision.

Opportunity cost will be defined and developed as a key economic principle. Several practical applications will be discussed to enhance the student's understanding of opportunity cost. The "true cost" of going to college will be calculated with student input.

Students should realize that opportunity costs are highly variable among individuals, and only the individual can accurately assess opportunity costs for themselves and their situation.

[Lab #8](#)

Private Economic Efficiency

[Lecture Series 9](#)

The concept of private economic efficiency will be developed as a tool for analysis and decision-making. The substitution of fossil fuel energy for labor (human energy) over time in agriculture will be used to demonstrate economic efficiency and the principles of resource substitution. Development of an asset replacement fund for capital items will be demonstrated

Course Week

4
June 13 to
June 17

[Lab #9](#)

Private Economic Efficiency

[Lecture Series 9](#)

Students will be introduced to annual ownership costs and operating costs of machinery and equipment to reconcile theory with real world behavior.

4
June 16

**[EXAM](#): EXAM #2 IS TENTATIVELY SCHEDULED.
WILL REQUIRE YOU TO ALLOCATE TWO HOURS FOR
TAKING THIS EXAM**

[Lab #11](#)

Introduction to Marginal Analysis

[Lecture Series 10](#)

Students will learn that marginal analysis is used to assist managers (consumers) in allocating their scarce resources to maximize the net benefits from production (consumption). The profit maximizing output rule, and the profit maximizing input utilization rule will be presented.

Review of Graphing

[Lecture Series #11](#)

[Lab #12](#)

Production Possibilities Curve and Economic Growth

[Lecture Series #12](#)

Students will recognize that scarce resources lead to tradeoffs among production alternatives for a nation, a business firm, or an individual.

The law of increasing costs will be developed. Current consumption versus investment in capital goods, as well as other methods of fostering economic growth (increasing the

Course Week

4
June 13 to
June 17

gross domestic product) will be discussed. A "link" will be established between the discussion presented on this subject matter and the discussions held about social security and retirement issues.

The following questions will be posed:

- What methods did the Roman Empire use to foster economic growth?
- Why did World War II ever start?
- Why did the U.S. help rebuild Germany and Japan under the Marshall Plan following World War II?
- Why did Iraq invade Kuwait on August 2, 1990?

The answers to these questions should provide students with economic rationales for human behavior.

A practical application of the production possibilities curve illustrating the possible outcomes associated with the tradeoff between resources invested in academic studies, and resources consumed by leisure activities at the university; is presented. A class exercise, and a practical will be used to apply these principles and concepts.

Market Demand, Relative Prices, and Inflation

[Lecture Series #13](#)

Demand, quantity demanded, and the law of demand will be defined and discussed with students.

An example utilizing the minimum wage law is used to demonstrate employer response to an increase in the price of unskilled labor.

Nominal prices will be distinguished from relative prices.

The following questions will be posed:

- What is inflation?
- What affect does inflation have on the general economy, and individual decision-making?

Course Week

4

June 13 to

June 17

[Lecture Series #14](#)

An inelastic supply curve (quantity available) will be introduced in order to discover the equilibrium or market clearing price. Shortages and surpluses will then be developed by fixing prices below and above the equilibrium price. The determinants of demand: consumer disposable income, price of substitutes, price of complements, consumer tastes and preferences, consumer expectations about future prices, change in the demographic structure of the population, weather, length of the consumer adjustment period, the availability of substitutes, and the proportion of the consumers budget the price of a good or service represents, will be identified and discussed.

5

June 20

June 24

[Lab #13](#)

Market Supply

[Lecture Series #15](#)

Supply, quantity supplied, the law of supply will be defined and discussed with students. The determinants of supply: number of firms in the industry, technology, weather, costs of production, price of other commodities that use a similar set of resources, producer expectations about future prices, length of the producer adjustment period, and taxes and subsidies, will be identified and discussed.

[Lab #14](#)

Price Elasticity of Demand

[Lecture Series #16](#)

[Lecture Series #17](#)

Students will learn to calculate and interpret price elasticities. The relationship between price changes, price elasticity of demand, total revenue, and net revenue will be demonstrated.

The difference between a "price-searcher" and a "price-taker" will be demonstrated and discussed.

The importance of price elasticity of demand to pricing decisions made by price-searchers will be discussed.

The importance to price-takers in making agricultural production decisions using the price elasticity of demand to

Course Week

5
June 20 to
June 24

forecast agricultural price changes that result from changes in agricultural supply estimates will be discussed. The basic tenets of U.S. domestic agricultural policy are discussed.

Lab #15

Other Elasticities and Market Analysis

Lecture Series #18

Lecture Series #19

Income elasticity of demand, cross-price elasticity of demand, and price elasticity of supply will be introduced and discussed.

Elementary demand and supply analysis will be conducted by changing the determinants of demand and supply from base conditions.

The class will investigate the affect of sales and excise taxes on the market, and will examine the conditions that determine who bears the ultimate tax burden.

Students will examine the economic effects of a new payroll tax placed on employers to fund a national health care program

A labor cost worksheet will be used in class to calculate the real cost of human capital to an employer, and demonstrate the consequences of additional payroll taxes.

Complete Lecture Series 20 through 24

FINAL EXAM SCHEDULE: Monday, June 27th.

Assignment

TENTATIVE READING ASSIGNMENTS

[Mankiw 4th Edition Page Numbers are in brackets]
(Mankiw 3rd Edition Page Numbers are in parenthesis)

Week 1

Read Chapter #1 and Chapter #2 of MANKIW
Read Appendix to Chapter #2: Graphing: A Brief Review
pp. 40-48 [pp.38-46] (pp. 36-43)

Read Chapter 23 of MANKIW: "Measuring a Nation's Income", pp. 507 – 512 [pp. 507 – 512] (499-504) and "Real vs. Nominal GDP", pp. 515-525 (507 – 515).

Read Chapter 26 of MANKIW: "Saving, Investment, and the Financial System."

Read Chapter 28 of MANKIW: "Unemployment and Its Natural Rate."

Read Chapter 12 of MANKIW: "The Design of the Tax System."

Read Chapter 33 of MANKIW pp. 739-742 [pp. 739-742] (723 – 727) and pp. 761-771 [pp. 760-771] (742 - 751).

Read Chapter 25 of MANKIW: "Production and Growth."

Read ["Production-Consumption Model"](#) under the "Supplementary Reading" link of the ARE 201 Home Page

Read and complete ["Fiscal and Monetary Policy"](#) under the "Supplementary Reading" link of the ARE 201 Home Page

Read Chapter 29 of MANKIW: "The Monetary System."

Read Chapter 30 of MANKIW: "Money Growth and Inflation"

Read Chapter 34 of MANKIW: "The Influence of Monetary and Fiscal Policy on Aggregate Demand."

Week 2

Read ["Scarcity"](#) in the Electronic Reserve Room

Read Chapter #2 of MANKIW: "Thinking Like An Economist", pp. 23-25 [pp. 22-24] (pp. 22-23)

Print ["Circular Flow of Economic Activity \(Free Market\)"](#) under the "Supplementary Reading" link of the ARE 201 Home Page

Assignment

- Week 2** Read Chapter #11 of MANKIW: “Public Goods and Common Resources”, pp. 225-230 [pp. 223-228] (225 – 237).
Read Chapter #3 of MANKIW: “Interdependence and Gains from Trade.”
Read "[More Than Free Markets Are Needed](#)" in the Electronic Reserve Room.
- Week 3** Read and complete "[Opportunity Cost](#)" under the "Supplementary Reading" link of the ARE 201 Home Page

Read and complete "[Efficiency](#)" under the "Supplementary Reading" link of the ARE 201 Home Page

Read and complete "[Efficiency II](#)" under the "Supplementary Reading" link of the ARE 201 Home Page
- Week 4** Read and complete "[Marginal Analysis](#)" under the "Supplementary Reading" link of the ARE 201 Home Page

Read Appendix to Chapter #2: “Graphing: A Brief Review” pp. 40-48 [pp. 38-46] (36-43), AGAIN.
Read Chapter #2 of MANKIW, pp. 25-28 [pp. 24("Production Possibilities Frontier.") to 26 (24-26).

Read "[Tradeoffs](#)" under the "Supplementary Reading" link of the ARE 201 Home Page.
Read "[Production Possibilities](#)" under the "Supplementary Reading" link of the ARE 201 Home Page

Read Chapter #4 of MANKIW: “The Market Forces of Supply and Demand.”
Read "[Measuring Inflation](#)" under the "Supplementary Reading" link of the ARE 201 Home Page

Read "[Demand](#)" under the “Supplementary Reading" link of the ARE 201 Home Page

Assignment

Week 5

Read [“Demand and Supply”](#) under the
"Supplementary Reading" link of the ARE 201 Home Page
Complete [“Demand and Supply Problems”](#) under the
"Supplementary Reading" link of the ARE 201 Home Page
Complete [“Demand and Supply Problems Part II”](#) under the
"Supplementary Reading" link of the ARE 201 Home Page

Read Chapter #5 of MANKIW: "Elasticity and Its Application."
Read Chapter #6 of MANKIW: "Supply, Demand, and Government
Policies."

Read [“Elasticity”](#) under the "Supplementary Reading"
link of the ARE 201 Home Page
Complete [“Elasticity Problems”](#) under the
"Supplementary Reading" link of the ARE 201 Home Page

Read Chapter #13 of MANKIW: "The Costs of Production"
Read Chapter #8 of MANKIW: "Application: The Costs of Taxation."
Read Chapter #19 of MANKIW: "Earnings and Discrimination."
Read Chapter #20 of MANKIW: "Income Inequality and Poverty."
Read Chapter #22 of MANKIW: "Frontiers of Microeconomics."

LABS

Purpose of Lab

Lab #1

- Communicating with the Class Listserv
- Familiarize you with the course's web page

Lab #2

- Review some of the basic economic concepts covered in lecture since the last lab
- Teach you how to calculate and interpret the unemployment rate
- Polish your ability at using the scientific method in research
- Teach you how to determine the purchasing power of a dollar
- Show you how to compare the cost-of-living among states

Lab #3

- Teach you how to estimate the cost of raising children
- Show you how to interpret the government's role in the economy
- Examine the significance of the federal debt and federal budget deficits
- Introduce you to several benchmarks that are used to gauge economic activity

Lab #4

- Teach you how to calculate your tax burden, disposable income, and discretionary income
- Introduce you to the Consumption - Production Model of economic activity
- Show you how to incorporate fiscal policy into the Consumption - Production Model
- Analyze the components of interest rates

Lab #5

- **Exam 1**

Lab #6

- Review some of the basic economic concepts covered in lecture since the last lab
- Help you determine if a second job is worthwhile
- Teach you how to analyze your expenses

Lab #7

- Examine the functions of an economic system
- Teach you how to use the opportunity cost of an activity in making decisions

Lab #8

- Review the mathematics of percents and percent changes
- Examine the Circular Flow Model of economic activity
- Show you how to develop an Asset Replacement Fund
- Teach you how to use the physical efficiency and the economic efficiency of a factor of production in making business decisions

Lab #9

- Teach you how to calculate the ownership and operating costs of capital goods

Lab #10

- **Exam 2**

Lab #11

- Teach you how use marginal analysis in making business and personal decisions
- Review the fundamentals of graphing

Lab #12

- Examine the production possibilities of goods and services
- Develop your ability at using real and relative prices in making business and personal decisions
- Analyze demand schedules and curves

Lab #13

- Continue the study of Demand schedules and curves from Lab 12
- Analyze supply schedules and curves
- Show students how demand and supply schedules determine the market clearing price and quantity of a commodity

Lab #14

- Develop your ability to calculate and interpret elasticities
- Economic costs of production are introduced and students will make applied use of the profit maximizing output rule, and profit maximizing input utilization rule.

Lab #15

- Calculation of annual ownership and operating costs will be reviewed, and students will use these costs to make purchase or lease decisions for machinery and equipment utilizing break-even analysis.

Rx for Success in ARE 201 on the Web

Read the assignments

Highlight critical information in the reading assignment

Outline the reading assignment

Take excellent notes while viewing lecture slides and working on labs

Review your notes from lecture and lab the same evening

Rewrite your lecture and lab notes the same evening

Note what you still do not understand, call or e-mail the instructor.

Do all your homework and labs yourself and understand what you are doing

Perform a cumulative review of your class notes and reading assignment outlines on a regular basis, preferably weekly.

Before major exams, review and re-work your labs. Study your notes and labs.