

Principles of Economics

“Principles of Economics” is an introductory class into key economic concepts. Students are not required to have former knowledge on the discipline to participate and follow the lecture. Basic terminology, schools of economic thought and methods of utilizing this knowledge in everyday life will be presented gradually to the participants, aiming to create a solid economic knowledge basis. Additionally, the class will utilize laboratory experiments and student presentations to provide additional context to the course material. The laboratory experiments fall within the field of experimental economics and are a method of testing economic theories in a controlled environment. The participants will be introduced to the new and growing discipline of experimental economics and will be actively examining the concepts in lecture material using this empirical method. By the end of the course, students will be able to describe the foundational principles of economics, their implications, real-world applications, and critiques, which will be demonstrated in both an exam and presentation.

Course Structure

- I Introduction
- II Foundations of Economics
 - 1 Ten Principles of Economics
- III Human Behavior and Exchange
 - 1 Rational Choice Theory
 - 2 Bounded Rationality
 - 3 Exchange
 - 3.1 Interdependence and Gains from Trade
 - 3.2 Exchange within the Edgeworth Box
 - 3.3 Trust and Exchange
- IV Markets and Market Forces
 - 1 Supply and Demand
 - 2 Elasticity
 - 3 Perfect Markets
 - 3.1 Efficiency of Markets
 - 3.2 Consumption and Production
 - 3.3 Freiburg School of Economics
 - 3.4 Hayek on Socialist Markets
 - 3.5 Firms in Competitive Markets
 - 4 Monopolies
 - 5 Market Failures
 - 5.1 Externalities
 - 5.2 Public Goods
 - 5.3 Common Goods
- V Production and Growth
 - 6.1 Investment and Growth
 - 6.2 De Growth
 - 6.3 Institutions and Growth

Liturature

- 1) "Principles of Economics" by N. Gregory Mankiw, 6th edition.
- 2) All other literature will be assigned over the course of the semester.

Presentation Topics

All presentations will take place on the Tuesday of each week, beginning in the second week. Each student must submit their top three preference topics to matthewbonick@vwl.uni-freiburg.de on 13.12.2016.

- Week 2
 - Adam Smith theory and application
- Week 3
 - Choice theory
- Week 4
 - Hayek on Socialist Markets
- Week 5
 - Monopolies
- Week 6
 - The environment as a public good
- Week 7
 - De-Growth

Grading Structure

The grading will have two parts: student exams, with a weight of 2/3, and class presentations, with a weight 1/3, will determine the overall mark. Students will be required to pass both the presentation and exam to pass the course.

Presentations will be in groups, with group sizes depending on the number of course participants. The length of each presentation will be 50 minutes with an additional 30 minutes for class discussion and questions. Each student will need to individually submit a one page overview of their group presentation. Students who fail the presentation or have an excused absence will be required to write a short paper on the topic they were assigned. The length will be 6-7 pages.

The exam will consist of 5 written essay questions with an exam length of 90 minutes. Students are required to answer all 5 questions. The exam will take place during the 8th week of the course on the final day. If students fail the exam, there will be a re-take during the time period April 11th and May 8th.

General Rules

Please see link to UCF rules with regard to study and exam regulations: <https://www.ucf.uni-freiburg.de/dateien/liberal-arts-and-sciences/LAS-Study-and-Examinantion-Regulations2015-EN.pdf>