“Economics is a study of mankind in the ordinary business of life.”
   -- Alfred Marshall, Principles of Economics (1890)

Economics 101, Principles of Microeconomics, is the introductory course in economics. The course is designed to teach you the basic tools of microeconomic analysis. Microeconomics is the branch of economics that deals with the interaction of households and firms in individual markets. Some of the issues we will study include how prices and output levels are determined, what happens when governments intervene in markets, when do markets “fail”, how do markets produce an “efficient” use of a society’s scarce resources and are market outcomes equitable. Learning “to think like an economist” should make you a more informed student, consumer, worker and voter.

Economics 101 does not assume any prior knowledge of economics. However, you must pass Wellesley’s Quantitative Reasoning Assessment to register for the course. No exceptions to this requirement will be made.

**COURSE REQUIREMENTS:**

One in-class hourly, covering Sections I-III of the syllabus, will be given on, or about, October 4. A second in-class hourly exam, covering Sections IV-VI, will be given on, or about, November 13. A final exam, covering the entire course, will be given during Final Exam Period. Each hourly exam counts for 20 percent of your course grade. The final exam counts for 40 percent. Weekly assignments, including problem sets and short essays, account for the remaining 20 percent of the course grade.

**REQUIRED TEXT**

N. Gregory Mankiw, Principles of Microeconomics, 5e or 6e (South-Western, Cengage Learning)

**e-RESOURCES**

Copies of the syllabus and assignments will be posted on the ECON-101-07-FA13 Google Group. Other articles and information will be posted there as well. Students are expected to check our Google Group regularly.

Journal articles generally are available online – go to the Wellesley College Library’s Catalogue and search for the journal by its title (e.g., New York Times or Economic Inquiry.) Follow the links to the online version of the journal. Some articles are available from the web with URLs indicated on the syllabus. Other items may be found in course e-reserves posted in the course’s Google Doc.
I. Introduction (September 3-10)

Mankiw, Chapters 1, 2 (+ Appendix)

A. Goolsbee, “Why People Hate Economists (and Why We Don’t Care),” (August 2006)

L. Summers, “Morning Prayers Address,” Appleton Chapel, Harvard University
(September 15, 2003); http://www.harvard.edu/president/speeches/summers_2003/prayer.php

S. Landsburg, “Click, Clack, and Car Talk,” Slate (January 30, 2002);
http://www.slate.com/articles/arts/everyday_economics/2002/01/click_clack_and_car_talk.html

II. Supply and Demand (September 11-17)

Mankiw, Chapter 4


P. Conkling, “The Great Silent Lobster Tie Up,” The Working Waterfront (July 2012);

M. Munger, “They Clapped: Can Price-Gouging Laws Prohibit Scarcity?” (January 8, 2007);
http://www.econlib.org/library/Columns/y2007/Mungergouging.html#

G. Becker, “Should the Purchase and Sale of Organs for Transplant Surgery be Permitted?”
Capital Ideas (April 2006); http://www.chicagobooth.edu/magazine/spr06/YJ_44-47_Front.pdf

D. Hemenway, "Economics of Childhood Immunizations," Economic Inquiry, Vol. 32
(July 1994)


III. Ceilings, Floors and Taxes (September 18-October 4)

Mankiw, Chapters 5, 6, 12

D. Cooper and D. Hall, “Raising the minimum wage to $10.10 would give working families and
the economy a much-needed boost,” EPI Briefing Paper #357 (March 2013);

(July 2012); http://epionline.org/studies/EPI_TheImpactof980FederalMinimumWage.pdf

IV. Market Efficiency and Market Failure (October 8-22)

Mankiw, Chapters 7, 8, 10, 11


“Schools Brief: State and Market,” The Economist (February 17, 1996) [G-Doc]


V. The Theory of the Firm (October 23–30)

Mankiw, Chapter 13

R. Roberts, “The Ultimate Chain letter,” Hoover Digest (2005);
http://www.invisibleheart.com/top_ten/


VI. Perfect Competition (November 1-13)

Mankiw, Chapters 14

L. Read, “I, Pencil” The Freeman (reprinted May 1996, first published 1958);


VII. Industrial Organization (November 15–22)

Mankiw, Chapters 15, 16, 17

“Slackers or pace-setters?” The Economist (May 20, 2004)

VIII. Consumer Behavior (December 3-4)

Mankiw, Chapter 21, 22 pp. 480-85


IX. Inequality and Poverty (December 6-10)

Mankiw, Chapter 20


J. Cassidy, “Relatively Deprived: How poor is poor?” The New Yorker (April 3, 2006); http://www.newyorker.com/archive/2006/04/03/060403fa_fact