Course Description (Goals & Objectives):

Course Objectives:

How can a country or a society maximize the economic value of its scarce resources and effectively and evenly distribute them? Is the mechanism for the principles of market economy valid? What are the reasons that opportunity cost and elasticity have significance for resolving economy related issues? Why is there a gap between the national income and GDP and why is there conflict between unemployment rate and inflation? Starting from such various questions in the current economy, this course is designed to enhance the basic knowledge and application ability of students by reviewing the main principles, theories, and arguments.

Overview:

The purpose of Economics is to study how we can effectively and fairly manage scarce resources of a country or a society. A choice always implies the existence of opportunity cost and there is a tradeoff between unemployment and inflation so that we cannot really have both low inflation and low unemployment at the same time. Thus, such issues are interpreted differently depending on the perspectives. This course offers a route to examine multiple and complex problems in today’s economy, reasons and mechanisms, and answers to solve them in the following order.

Course Outline:

- Week 1
  
  Course overview, introduction, and learning outcome
  
  Chapter 1 Ten principles of Economics
  
  - What is Economics? Ten principles of Economics
  
  Chapter 2 Thinking like an Economist
  
  - Different opinions among scientist, policy advisor, and economist
Week 2
Chapter 3  Benefits of interdependence and trade
- Opportunity cost, comparative advantage, and background of specialization
Chapter 4  Supply and demand of market 1
- Market, competition, and demand
Chapter 4  Supply and demand of market 2
- Supply, combination of supply and demand

Week 3
Chapter 5  Elasticity and its application
- Elasticity of demand
- Elasticity of supply, three applications of elasticity
Chapter 6  Supply, demand, and government policies
- Price control, effects of price ceiling and price floor

Week 4
Chapter 6  Supply, demand, and government policies 2
- Impact and incidence of taxation, who pays the luxury tax?
Chapter 7  Consumer, producer, and the efficiency of markets
- Consumer surplus, producer surplus, and the efficiency and failure of markets
Chapter 8  Application: The Costs of Taxation
- Deadweight loss of taxation, determinants

Week 5
The 1st quiz, summary of the main ideas of Essentials of Economics by Gregory Mankiw
Chapter 9  Application: International trade
- Determinants of the trade, the winners and losers
Chapter 9  Application: International trade 2
- Arguments favoring trade-restriction policies, perspectives on FTA

Week 6
Chapter 10  Externalities
- Externalities and market inefficiency, solutions
- Public policy toward externalities, why is gasoline taxed so heavily?
Chapter 11  Public goods and common resources
- Public goods, common resources, and the importance of property rights
- **Week 7**
  Chapter 12     The costs of production
  - Firm behavior, organization of industry, production and costs
  - Concepts of costs (fixed/variable cost, average/marginal cost, short-term/long-term cost)
  The 2nd quiz, summary of the main ideas of Essentials of Economics by Gregory Mankiw

- **Week 8**
  Midterm exam

- **Week 9**
  Chapter 13     Competitive markets
  - Competitive markets, profit-maximizing supply curve
  Chapter 14     Monopoly
  - How monopolies make production and pricing decisions, inefficiency of monopoly
  - Price discrimination, Policies to control a monopoly

- **Week 10**
  Chapter 15     Measurement of national income
  - Macroeconomic data, GDP
  Chapter 16     Measuring the cost of living
  - The consumer price index (CPI), correcting the effects of inflation
  Chapter 17     Production and growth
  - The real economy in the long run, productivity, economic growth and public policy

- **Week 11**
  Chapter 18     Saving, investment, and the financial system
  - Financial institution, saving and investment, the market for loanable funds
  Chapter 19     The basic tools of finance
  - Present value, risk management, asset valuation
  Chapter 20     Unemployment
  - Measurement of unemployment rate, search for job, minimum wage system

- **Week 12**
  Chapter 20     Unemployment 2
  - Unions and collective bargaining, efficiency wage
Case study presentation 1
Case study presentation 2

- **Week 13**
  - Case study presentation 3
  - Chapter 21  Monetary system
    - Money and prices in the long run
  - Chapter 22  Money growth and inflation
    - The cause and costs of inflation

- **Week 14**
  - The 3rd quiz, summary of the main ideas of Essentials of Economics by Gregory Mankiw
  - Chapter 23  Aggregate demand and aggregate supply
    - Cause and characteristics of economic fluctuations, aggregate demand and aggregate supply
    - Final summary of and applying Economics in the real economy

- **Week 15**
  - A week of makeup classes

- **Week 16**
  - Final exam

**Textbook(s):**
Essentials of Economics by Gregory Mankiw / Kyobo bookstore

**Class Website:** e-Class

**Course Assignments & Grading:**
- *Midterm exam 25*
- *Final exam 25*
- *Attendance 20*
- *Assignment 15*
- *Attitude 5*
- *Quiz 10*