

Economics

Chair: Associate Professor Y. Song

Faculty: Professors H. Fried, J. Kenney, J. Klein, B. Lewis, T. McCarty (Dean of the Faculty), Stephen J. Schmidt, Shelton S. Schmidt, M. Sener, S. Yaisawarnng; Associate Professors L. Davis, T. Dvorak, E. Motahar; Lecturer E. Foster; Visiting Assistant Professor Y. Ren

Staff: M. Bielecki (Administrative Assistant)

Requirements for the Major and Interdepartmental Major in Economics: Twelve courses in the department: Economics 101, 241, 242, 243, 498-499, and six others. Majors are required to take a minimum of three 300- or 400-level courses in the department (in addition to Economics 498 and 499). Completion of Math 101, 110, or 113 (or equivalent advanced placement credit) is required prior to enrolling in Economics 241 or 242.

Interdepartmental majors in economics and another field are required to take at least eight courses in economics, including Economics 101, 241, 242, 243, at least one 300 or 400-level course (in addition to Economics 498 and 499) in the department, and either Economics 498-499 or a senior thesis drawing on both economics and the other discipline.

Majors and Interdepartmental majors should normally complete the core sequence of 241, 242, and 243 by the beginning of the junior year. This will allow sufficient time to take upper-level courses prior to the senior thesis. Majors and Interdepartmental majors who have reached the junior year may not enroll in courses numbered below 240. Students may not count toward the major more than one elective that does not list Economics 101 as a prerequisite. Also, students may not count toward the major more than one internship-related course.

Majors, and Interdepartmental majors taking Economics 498-499, or IDM 498-499 with Economics as one component, must pass an oral defense of their senior thesis proposal before enrolling in Economics 499 or IDM 499.

Students interested in economics might also consider the Quantitative Economics track or a major in Managerial Economics. Students planning graduate study in economics or business are advised to take additional courses in mathematics or consider the Quantitative Economics track as their advisors recommend.

Requirements for the Quantitative Economics Track: Quantitative Economics permits students who have a strong interest in mathematics to enhance their understanding of economic theory by concentrating on course work where the use of mathematics is especially productive. It is designed primarily for those who expect to go to graduate school, particularly in economics. Advisors: Professors Stephen J. Schmidt, Shelton S. Schmidt, and D. Klein

Economics 101, 241, 242, 243, and 498-499; three courses from among Economics 338, 341, 352, 353; two additional economics courses; and three mathematics courses above the level of Math 110. Mathematics courses should be selected in consultation with your economics advisor. The senior thesis, Economics 498-499, should make use of the quantitative nature of the track.

Requirements for the Major in Managerial Economics: Refer to the Managerial Economics section

Requirements for Honors: To earn departmental honors in economics, participants in the program must (1) have a minimum grade average of 3.3 or higher in Economics 241, 242, and 243; (2) be nominated for honors by the department at the end of the first term of work; (3) pass an honors oral examination on their senior thesis in the second term of work; (4) earn a minimum of "A minus" on the senior thesis; (5) receive approval of the final thesis from the honors oral examination committee; and (6) participate in the department's honors seminar. In addition, the student must satisfy all College requirements for departmental honors.

Requirements for the Minor: Six economics courses including Economics 101, 241, 242, and 243 (unless waived by the department chair based on an equivalent course in the student's major), and at least one course at the 300 or 400-level. Economics 390 may not be used to satisfy these requirements.

Course Sequence: Students intending to major in economics should take Economics 101 in the first year, and complete Math 101 or Math 110 in the first year if possible, early in the sophomore year if not. They should also take one or more 200-level electives in the first or second year, since these courses are not open to junior and senior majors. In the sophomore year they should take the core 241-242-243 sequence; the sequence need not be taken in numerical order but Economics 243 should normally not be taken first. Majors should complete several 300-level elective courses as juniors

prior to enrolling in senior thesis, including where possible courses in the area of economics in which the thesis will be written; interdepartmental majors should complete at least one such course in the junior year, and preferably more.

Placement: The economics department gives credit for Economics 101 to students receiving a score of 4 or 5 on both the AP Microeconomics and Macroeconomics exam, but does not give credit for Economics 101 to students who have taken only one of the two AP exams, regardless of the score received.

Prerequisites: Economics 101 is a prerequisite for all courses in the department, unless otherwise indicated.

ECO-101. Introduction to Economics (Fall, Winter, Spring; Staff). Basic microeconomic model of price determination; impact of market structure on price and output decisions by firms; role of the public sector in an economy; basic macroeconomic model of national income determination; impact of fiscal and monetary policies on employment levels, price stability, and economic growth; international economic relationships.

ECO-123. Values, Norms, and Economic Justice (also Philosophy 123) (Spring; S.J. Schmidt). This class considers the goals economic policy might pursue and how different theories of the good lead to particular choices about desirable or undesirable economic policies. We consider mainstream economic thinking, which has roots in utilitarianism and liberalism, and alternative ideas such as libertarianism, Austrian economics, feminist, communitarian, and religious philosophy and economics. We apply these ideas to relevant policy issues, such as free trade, globalization, unemployment, income distribution, affirmative action, care of the environment, health care, and famine relief.

ECO-222. History of Economic Thought (Not offered 2011-12). A survey of the history of economic thought from 1600 to 1950, focusing on primary works and discussion of their historical context. Major authors covered include Smith, Marx, Marshall, and Keynes. Prerequisite: ECO-101.

ECO-224. Competing Philosophies in United States Economic Policy (Not offered 2011-12). A survey of the economic and political philosophies that influenced U.S. economic policy from the American Revolution to the Great Depression. Specific policy areas surveyed include internal improvements, money and banking, tariffs, trade, antitrust and regulation. Prerequisites: ECO-101.

ECO-225. Economics of Sin (Not offered 2011-12). Uses the tools of economic analysis to examine the markets for goods and services the sale of which is subject to public condemnation. Considers the impact and unintended consequences of economic policies toward these goods on market and social outcomes. Topics include the economics of transplantable organs, crime, addiction, intoxicants, marriage and sex. Prerequisite: ECO-101.

ECO-226. Financial Markets (Spring; Lewis). Study of the historical evolution, economic functions, and efficiency of financial institutions and markets, with an emphasis on the United States. Prerequisite: ECO-101.

ECO-228. Environmental and Natural Resource Economics (Spring; Kenney). Economic causes of environmental degradation and natural resource depletion; benefit-cost analyses of public policies for environmental protection and natural resource preservation; specific issues in energy and wilderness resource management, air and water pollution abatement, and solid waste management. Prerequisite: ECO-101 or permission of instructor.

ECO-230. Mind of the Entrepreneur (Winter; Fried). Examines three perspectives on the role of the entrepreneur in guiding resource allocation in a market economy. The traditional perspective focuses on resource allocation changing over time as the entrepreneur responds to opportunities for economic profit. The psychological perspective examines the personality characteristics of entrepreneurs. The non-traditional perspective explores the implications of the entrepreneur as a creator of demand as well as a supplier of new products. Includes the role of the social entrepreneur and some ethical issues. Prerequisite: ECO-101.

ECO-231 Urban Redevelopment (Fall; Lewis). An examination of why the economic fortunes of cities rise and fall and what can be done to redevelop urban areas and improve their long-term vitality. Varied perspectives are considered and recent revitalization efforts in Schenectady, Saratoga Springs, and the Capital Region are analyzed.

ECO-233. Public Policy and American Industry (Not offered 2011-12). The structure, conduct, and performance of American industry; oligopoly theory and the applied theory of the firm; government policy toward business including antitrust and regulation. Prerequisite: ECO-101.

ECO-234. Japanese-American Finance and Trade Relations (Not offered 2011-12). Are Japan and the U.S. financially separate but inseparable? This course covers the evolution, institutional structure, cultural context, and efficiency of these two financial systems with special emphasis on their interdependence via institutions, trade, and capital movements. Prerequisite: ECO-101. *GenEd:* LCC

ECO-236. Comparative Economies (Not offered 2011-12). Why are some countries rich and others poor? Geography, economic systems, investment, culture and institutions will be explored as possible explanations. The channels through which these factors affect economic performance will be examined, and their importance will be assessed using relevant data. Prerequisite: ECO-101.

ECO-237. Women, Men, Work and Family (Spring; Foster). A critical analysis of gender issues in economics; changing roles of men and women in labor markets; human capital theory; radical-feminist perspectives; earnings differentials and occupational segregation by gender; economics of family; public policy. Prerequisite: ECO-101.

ECO-241. Microeconomic Analysis (Fall, Winter, Spring; Staff). Theory of consumer choice; principles of production and analysis of cost phenomena; pricing and output decisions in competitive and noncompetitive markets; theory of distribution; general equilibrium analysis; introduction to welfare economics. Prerequisites: ECO-101; MTH-101, MTH-110, or MTH-113.

ECO-242. Macroeconomic Theory and Policy (Fall, Winter, Spring; Staff). Aggregate demand theory. Foundations of aggregate consumption, investment, money demand and money supply. Aggregate supply theory. Keynesian, monetarist, and rational expectations models. Economic growth theory. Unemployment, inflation and stabilization policy. Prerequisites: ECO-101; MTH-101, MTH-110, or MTH-113.

ECO-243. Introduction to Econometrics (Fall, Winter, Spring; Staff). Descriptive statistics, probability, random variables and their distributions, sampling, statistical inference including confidence interval estimation, hypothesis testing, and regression analysis. Introduction to economic research using statistical methods to test theories. Prerequisite: ECO-101.

ECO-295H-296H. Economics Honors Independent Project 1 and 2 (Fall, Winter, Spring; Staff).

Note on 300 and 400-level courses: 300 and 400-level courses carry one or more of the core courses Economics 241, 242, or 243 as prerequisites.

ECO-331. E-Commerce Economics (Not offered 2011-12) This course applies economic concepts to analyze the new economy where sellers are able to transfer rights for use of goods and services to buyers through network-communication links. Theories of firm conduct and performance, efficiency and productivity, the role of information, intellectual property rights of digital products, ethical aspects and policy implications of E-commerce are discussed. Prerequisite: ECO-241.

ECO-332 Economics of Technological Change. (Winter: Sener). The course will cover both macro and micro aspects of technological change. Topics include: Exogenous growth models, innovation-driven Schumpeterian growth models, creative destruction and the economy, competition and market structure, valuation of Research and Development (R&D) and patents, patent litigation and enforcement of Intellectual Property Rights (IPRs), innovation, technology diffusion in the global economy, and design of IPR regimes and R&D policies. Prerequisites: ECO-241 or ECO-242.

ECO-333. Industrial Organization (Not offered 2011-12). Selected topics in the theory and empirical analysis of U.S. industry performance; industry strategy; research and development; the theory and practice of competition policy and regulation. Prerequisites: ECO-241 and ECO-243.

ECO-334. Introduction to Financial Analysis (Spring; Kenney). Fundamental concepts of finance (time value of money, risk, and rates of return); analysis of financial statements; bond and stock valuation; capital budgeting; cost of capital, leverage, and optimal capital structure; long-term debt management; dividend policy; mergers and acquisitions; case study of the performance of an enterprise which seeks to maximize shareholder wealth. Prerequisite: At least one of ECO-241, ECO-242, or ECO-243.

ECO-335. The Economics of Health (Winter: Song). Examination of demand and supply for medical personnel; analysis of hospital cost, inflation, and health insurance. Discussion of issues in cost benefit analysis of public health and regulation of health care markets. Prerequisite: ECO-241 and ECO-243, or permission of the instructor.

ECO-338. Quantitative Methods in Economics (Not offered 2011-12). Application of mathematical models in economics. The use of matrix algebra, dynamic analysis, and optimization techniques in economic model building. Topics covered include theories of the consumer and of the firm, economic growth, international trade and finance, optimal timing, linear programming, and macroeconomic models. Prerequisite: ECO-241.

ECO-339. Public Finance (Fall; O’Keeffe). Analysis of public sector expenditure and tax policy; efficiency and equity consequences of government spending and taxation; the nature of the public sector in the U.S., especially Social Security, education and the personal income tax; intergovernmental fiscal relationships. Prerequisite: ECO-241.

ECO-340. Competing Philosophies in Political Economy (Not offered 2011-12). Selected topics in social choice. Individual and group value systems. Applications of general equilibrium theory to problems of social welfare analysis. Benefit/cost theory. Prerequisite: ECO-241.

ECO-341. Current Topics in Microeconomics (Spring; Ren). A variety of microeconomic models and their applications to economic problems, including game theory, general equilibrium models, time and uncertainty, information economics, structure and behavior of firms, and public choice. Prerequisite: ECO-241.

ECO-344. Economics of Education (Not offered 2011-12). The economics of the education industry and education policy, and the relationship between education and economic performance. Topics include human capital investment, the production of education, the returns to education, financing education (using public or private resources), and school choice and education outcomes (student achievement, completion rates, lifetime achievement). Prerequisites: ECO-241 and ECO-243.

ECO-345. Nonprofits, Cooperatives, and Other Non-Traditional Firms (Not offered 2011-12). A theoretical and empirical examination of production which does not fit the standard neoclassical model of profit maximization. Examples include credit unions, the kibbutz, law firms, sports production, hospitals, the Japanese firm, educational institutions, slavery, government agencies, and much more. Prerequisite: ECO-241.

ECO-352. Contemporary Problems in Macroeconomics (Winter; Motahar). A detailed analysis of some fundamental current macroeconomic issues: growth and productivity, the roots of the current economic and financial crisis, and an examination of policy options designed to address the crisis. We will also conduct some relevant macroeconometric modeling and simulation exercises. Prerequisites: ECO-241, ECO-242, and ECO-243.

ECO-353. Seminar in Econometrics (Spring; S.J. Schmidt). Application of econometric methods to economic problems, plus additional topics in econometrics selected from multicollinearity, serially correlated and heteroskedastic disturbance terms, systems of simultaneous equations, seasonal adjustment, distributed lag models, other time series topics. Prerequisites: ECO-243, and ECO-241 or ECO-242.

ECO-354. International Economics (Spring; Motahar). Foreign trade and international finance, protectionism, international migration of capital and labor, political economy of trade policy, strategic trade policy, international coordination of macroeconomic policies. Prerequisites: ECO-241, ECO- 242, and ECO-243. GenEd: LCC

ECO-355. Monetary Economics (Fall; Lewis). What money has been and is, including study of the U.S. institutions which supply and control it; the bond market and term structure of interest rates; asset demand for domestic and foreign currencies; money in monetarist, Keynesian, and rational expectations approaches to macroeconomics. Prerequisites: ECO-241, ECO- 242, and ECO- 243; ECO-241 may be taken concurrently.

ECO-374. Sports Economics (Not offered 2011-12). Combines the application of economics to issues in sports. Sports topics include player salaries, free agency, discrimination, gambling, the Olympics, the Super Bowl, and the impact of stadiums on local economies. Prerequisites: ECO-241 and ECO- 243.

ECO-375. Efficient Management of Technology (Spring; Yaisawarng). Economic models of the firm; efficiency and productivity concepts; Data Envelopment Analysis (DEA); ethics in management; DEA guide and ethical procedures for improving efficiency and allocating resources; empirical applications to specific industries. Prerequisite: ECO-241 and ECO-243.

ECO-376. Seminar in Global Economic Issues (Spring; Sener). This seminar explores different perspectives on current global economic issues. A review of the recent debate on globalization provides a framework for discussion of a variety of issues related to international trade and the international financial system. Topics covered may include: international trade and the environment, international trade and labor standards, regionalism vs. world trade, international financial crises, reforming the global financial architecture, and international capital flows and developing countries. Prerequisites: ECO-241, ECO- 242 and ECO-243.

ECO-377. Modeling and Simulation of Economic Policies (Not offered 2011-12). The use of theoretical models and computer simulations to evaluate public policies under partial and general equilibrium specifications. Prerequisites: ECO-241 or ECO-242, and ECO-243.

ECO-378. Labor Economics (Not offered 2011-12). Determinants of wages and terms of employment, wage and employment theories and the impact of unions, wage structures, unemployment, poverty, wage legislation. Prerequisite: ECO-241.

ECO-379. Economic Growth and Income Distribution (Not offered 2011-12). An overview of the theory, measurement, and history of economic growth, which presents Classical, Keynesian, and neoclassical approaches in parallel. Topics include the theory of optimal saving, endogenous technical change, growth accounting, natural resource limits on growth, money and growth, and the impact of government debt and social security systems on long-term economic growth. Prerequisites: ECO-241 and ECO-242.

ECO-380. Seminar in Economic Growth and Development (Fall; Davis). Reviews the empirical record on economic growth and the resulting division of the world into rich and poor countries; considers the role of accumulation, innovation and institutions in the theory and experience of economic growth; investigates selected topics in the economics and political economy of growth, potentially including international trade, income inequality, international aid, democracy, social conflict, and corruption. Prerequisites: ECO-241, 242 and ECO-243.

ECO-382. Seminar in Finance (Not offered 2011-12). Study of important topics in finance, such as capital structure, risk, uncertainty, and portfolio theory; agency costs; market efficiency; options theory, and the effects of financial crises on markets. Prerequisites: ECO-241 and ECO-334.

ECO-383. Seminar in International Finance (Not offered 2011-12). This course is about the financial markets that facilitate trade and investment in today's global economy. We will learn about the balance of payments, exchange rate determination and exchange rate regimes. Emphasis in the course will be placed on understanding the events currently happening around us: including the widening U.S. current account deficit, dollar depreciation against the euro, China's reluctance to float its exchange rate, and the financial crises in Asia and Argentina. Prerequisites: ECO-241 and ECO-242.

ECO-386. Seminar in Public Policy (Not offered 2011-12). An upper level seminar on the use of economic methodology to evaluate public policy. Particular topics covered vary with instructor and student interest. Topics covered in the past include education finance reform, health care, welfare, illegal drugs, and labor market discrimination. Prerequisites: ECO-241 and ECO-243.

ECO-387. Seminar in Labor (Not offered 2011-12). Labor topics including, but not limited to, the public sector, wage determination, and the relationship between micro theory and the operation of American labor markets as they exist today. Critical issues in labor that affect the free market system. Prerequisites: ECO-241 and ECO-243.

ECO-390. Economics Internships (Winter; Fried). Designed to involve students in the operation of various economic agencies, commissions in New York State government and private firms. Interns apply skills to practical problems in economic analysis and gain exposure to the functioning of the agency or firm. Prerequisites: ECO-241, ECO-242, and ECO- 243.

ECO-391. The Income Tax: Policy and Practice (Winter; O’Keeffe). This course integrates theory and practice in addressing income tax policy issues. Students run a Volunteer Income Tax Assistance Site at the College’s Kenney Community Center at which income tax forms are filled out for low-income tax payers. Students undergo training and pass an IRS certification test. Students participate in all aspects of running the site, including publicity, electronic filing, and site management. Class sessions are used for training and for study of the economics literature on income tax policy issues, including the Earned Income Tax Credit, policy towards subsidization of child care, tax compliance issues, and tax incentives for saving. Prerequisites: ECO-241 and ECO- 243, and a minimum GPA of 2.9.

ECO-445. Managerial Economics (Fall; Kenney). Use of economic and statistical analysis in management decision making and practical problem solving; demand evaluation and sales forecasting; cost and profitability analysis; pricing policy; extensive use of case studies. Prerequisites: ECO-241 and ECO-243 and senior standing.

ECO-490-493. Independent Study (Fall, Winter, Spring; Staff).

ECO-498-499. Senior Thesis, Parts I and II (Fall, Winter, Spring; Staff). Independent research thesis. Prerequisites: ECO-241, ECO-242, ECO-243, at least one course in the area of the thesis and senior standing; ECO-498 is prerequisite to ECO-499.