

**COURSE
DESCRIPTIONS**

FOR

WINTER 2012

**ECONOMICS
CLASSES**

ECO 226

Financial Markets

Prof. Brad Lewis

Description

A student who masters the course material in Economics 226 should become familiar with the current structure of U.S. financial markets (continuing to change in the aftermath of our financial crisis) and how they compare with those elsewhere; understand how important economic, political, technological and social factors influence the development of such markets; and better understand many of the articles in financial pages of the *NY Times* or *Wall Street Journal*. The course may be of interest not only to Economics majors but also to those in related disciplines such as History and Political Science. Per standard department policy, economics majors who have reached the junior year may not take this course. Nonmajors in any class who have taken Economics 101 or exempted it via AP credit may take the course.

This course includes the study of the historical evolution, economic functions, and efficiency of financial institutions and markets in the United States and also includes a module on ethics in the financial markets. We cover basic financial concepts such as time value of money, which allows you to understand how financial assets are priced; the effects of asymmetric information on financial institutions like banks and markets for stocks, bonds, and other financial assets; the role of a lender of last resort (the Federal Reserve, in this country); and ethical issues that are most important in financial markets. The course does not assume any previous financial background.

A premise of this course is that studying periods of rapid change and stress in the markets, such as the recent world-wide financial crisis and the current mixed recovery in some markets and institutions, is difficult but essential for economists and policymakers. We will devote even more attention than usual to this.

During the entire course, we will also regularly address ethical issues related to financial markets, for two major reasons. First, attention to this is high when almost everyone has a stake in the successful functioning of modern financial

markets. Second, many Union students choose professional careers in finance or regularly deal with others who do.

Prerequisites

Economics 101 is the only prerequisite.

Requirements

We supplement material from a financial markets text with selected readings from academic and nonacademic sources. Graded assignments will include examinations and short papers but not a major term project. Students will also be asked to follow current developments in financial markets (low-cost subscriptions to the *Wall Street Journal* will be available) and we will talk about these regularly in class. *This course will meet on MWF from 8:00 a.m. - 9:05 a.m. and is also scheduled for Tuesday 8:00 a.m. – 8:50 a.m. This does not mean classes will be held four days a week! Rather, we will meet on Tuesdays only to the extent necessary to replace any time lost when M, W, or F classes are cancelled because the instructor is out of town. I expect to use only 4 or 5 Tuesday classes for this purpose, to replace cancelled classes on either Monday or Friday. In other weeks we will either cancel the Tuesday sessions or use them for optional problem sessions or discussion.*

The course carries a WAC designation in the General Education program.

ECO 230

The Mind of the Entrepreneur

Prof. Hal Fried

Description:

The objective of this course is to expose students to 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.

The psychological makeup of the entrepreneurial personality is important to understand and to study in order to promote the introduction of new products. Greed, income and self-interest drive the traditional model of resource allocation. This is appropriate under some circumstances and possibly not under others. The non-traditional perspective takes into account the ability of the entrepreneur to manipulate demand as well as supply, in which case the economy fails to respond to the “will of the people” and might not produce what consumer’s want, but rather, what producers want them to want.

Requirements:

This is an interdisciplinary course that is listed in the economics department. Instructors are Hal Fried (economics), Doug Klein (economics) and Ken DeBono (psychology). Economics 101 (Introductory) is a prerequisite. Advanced students who have had Economics 241 (intermediate micro) are ineligible. Concurrent enrollment in Eco 241 is permitted, however, freshmen have preference.

This course will be taught on Tuesday and Thursdays from 9:00-10:45AM.

ECO 241

Microeconomic Analysis

Prof. Ren

Course Description

A great many problems in economics concern the way in which people and firms change their spending and production in response to changes in prices, incomes, government policies, or other economic variables. Economics 241 covers the basic microeconomic models used to analyze the behavior of individuals, households, and firms, and introduces the use of those models in economic analysis. Topics to be covered will include utility theory, firm theory, welfare economics, and if time permits, intertemporal choice, price discrimination, general equilibrium, externalities and public goods. By the end of the term, students will have a practical toolkit of economic models that they can put to use when studying these sorts of problems in elective courses and in their senior theses.

Economics 241 is a required course for the economics major, and is a prerequisite for many of the 300 level courses in Economics and for senior thesis. It is best to take Economics 241 by the end of your sophomore year, and it is mandatory that you take it before starting your thesis.

Prerequisites

The prerequisites for Eco 241 are Eco 101 and any of: Math 101, 110, 113 or equivalent AP credit.

Requirements

Economics 241 is scheduled to meet Tuesdays and Thursdays from 10:55 am – 12:40 pm. The course will require weekly problem sets, a midterm exam, and a final exam. The course may also make occasional use of the World Wide Web on problem sets.

ECO 242

Macro Theory & Policy

Prof. Sener

Course Description

Economics 242 is one of the core courses in the Economics Program. Macroeconomics is concerned with the determination of a country's overall levels of production, employment, inflation, and growth. We develop short-run and long-run macroeconomic models and investigate the effects of shocks and policy changes on the economy.

Economics 242 is required for all majors in Economics. Students intending to major in Economics should try to take this course by the beginning of their junior year. This course may also be attractive to non-majors who would like to develop a better understanding of the structure and performance of an economy. By the end of this course, you should be able to pick up economic pages of publications like *The Wall Street Journal* or *The Economist* and understand their coverage of macroeconomic issues.

Prerequisites

Economics 101 and Math 110 , 101 , 113 or equivalent AP credit are the prerequisites for this course. Students are expected to be extremely comfortable with intro-level calculus and high school algebra. The course will extensively incorporate graphs and equations.

Requirements

The format of the course is lecture with some class discussion. Course work will include homework assignments, midterms, quizzes and a cumulative final exam. Students are expected to keep up with current economic news and actively participate in class discussions. Participation will have a certain weight in course grade.

Students are not expected to talk among themselves during class hours. If excessive and disturbing conversation takes place, and/or other continuous

noises (such as murmuring, ongoing foot tapping and etc.) are generated, I reserve the right to kindly invite the student(s) outside of the classroom.

The class meets at the following times:

Tuesday-Thursday LIPM 014+ 09:00 AM-10:45AM

ECO 243

Intro to Econometrics

Prof. Shelton Schmidt

Course Coverage and Goals

ECO 243 introduces the empirical research methods used by economists in estimating relationships and testing theories. The material to be covered includes descriptive statistics, random variables and their probability distributions, sampling theory, estimation, hypothesis testing, and regression analysis.

There are three primary goals. First, you should develop the conviction that your understanding of the world about you can be advanced by confronting theories with evidence. Second, you should master the elementary methods used in econometrics (definitions, formulas, EViews computer software, interpretation of empirical results). Third, you should learn to apply these methods on an ongoing basis as informed, participating researchers. The concern of this course is not only with theoretical statistics in the abstract, but also with the application of econometrics to real world problems using real world data.

Prerequisites

ECO 101 (Introduction to Economics) is the only prerequisite. It is advisable to take ECO 241 (Intermediate Microeconomics) or 242 (Intermediate Macroeconomics) before taking this course, but it is not necessary.

Course Requirements

Class meets MWF 10:30 AM – 11:35 AM. You must attend every class. Expect to spend approximately 12 hours per week studying for this course outside of class. There will be graded problem sets, two exams, and a 2500 word (10 pages plus appendices) research project in which you will gather data and test an economic hypothesis that interests you.

ECO 332

Eco of Technological Change

Prof. Sener

Course Description

The course covers a broad range of issues on economics of technological change. In the first part of the course, we investigate the determinants of productivity growth using macroeconomic growth models. We start with simple exogenous growth models based on human capital and physical capital accumulation. We then introduce innovation-driven endogenous growth models and study the process of creative destruction a la Schumpeter and its implications for the economy. We investigate the role of policy (research subsidies, intellectual property rights protection policies, trade policies and education policies) and exogenous events (demographic changes, price shocks) in affecting growth and welfare. We also analyze the effects of globalization on technological progress. In the second part of the course, the focus is on microeconomics of technological change. We investigate issues related with patent policy, Research and Development (R&D) incentives, valuation of R&D and intellectual property enforcement.

Throughout the course, we will discuss recent events and policy issues both at the global and domestic level. There will be emphasis on both empirics and theory. A few policy issue examples are as follows. Research tax credits implemented by the US government, the TRIPS (Trade Related Aspects of Intellectual Property Rights) agreement signed under the WTO (World Trade Organization) umbrella, harmonization of cross-border investment laws, and public funding for basic research.

Prerequisites

The prerequisites for the course are Economics 101 and either Economics 241 or Economics 242, or permission of the instructor. Students are expected to be extremely comfortable with high-school level algebra and calculus. The course will extensively incorporate graphs and equations. It is acceptable if Eco 241 or Eco 242 is concurrently taken with the course. Having taken Eco 243 is a plus but not a requirement.

Requirements

The format of this course will be lecture, class discussion and student presentations. Course work will include reading assignments, questions on readings, class participation, a midterm, a term paper, a class presentation and etc. The course will also have a computational methods component, which will involve the use of *Mathematica* software to calibrate theoretical models. The basics of Mathematica code language will be covered in class and through assignments.

Eco 332 carries a WAC.

The class meets on Tuesdays and Thursday LIPM 012+ 01:55PM-03:40PM.

ECO 335

Economics of Health

Prof. Song

Course Description

This course provides an introduction to health economics. Students will learn how to approach a wide variety of health-related topics from an economist's perspective. The main health economics topics to be covered in this course include demand for health, health care, and health insurance; medical care production and costs; cost benefit and cost-effective analysis of health care and role of government in health care markets.

Prerequisites

Microeconomic Analysis (Economics 241) and Introduction to Econometrics (Economics 243) are the prerequisites for this class.

Requirements

Requirements include eight problem sets, a midterm exam, and a final exam. The class will meet on Tuesdays and Thursdays from 10:55A.M.-12:40 P.M.

ECO 352

Contemporary Problems in Macroeconomics

Prof. Motahar

Course Description

The current economic and financial crisis is characterized by many as the worst that the U.S. has experienced since the Great Depression of the 1930s. The objective of this course is to use analytical tools of modern macroeconomics to gain a deep understanding of some of the causes and consequences of this crisis, and to explore some relevant policy options. Topics that we will study in this course include:

- *Growth and productivity.* What factors account for long-run economic growth? After many years of slow productivity growth, did we enter a new era of sustained resurgent productivity growth in the 90s? Did the U.S. see the dawn of a *new economy* during that decade? What happened to growth and productivity in the 2000's? This module provides the context for the subsequent two.
- *Roots of the current crisis.* In this module we will try to make sense of the details of the modern 'financial architecture' that turned a predictable burst in the U.S. housing bubble, traceable to the subprime mortgage phenomenon, into a full scale financial meltdown. We will examine whether or not there were remediable 'mistakes' made on the part of financial actors/institutions, regulators, or policy-makers, or are the root causes deeper and more difficult to address.
- *Policy options.* We will examine some of the policies that have been proposed and/or implemented to address the crisis. This module will also utilize some methods of computational macroeconomics so as to get a better grasp of the effectiveness of various proposed policies (such as orders of magnitude, and time paths, of the impact of the "stimulus package", government purchases *versus* tax cuts, *versus* monetary policy actions). We will also examine concepts such as liquidity trap, moral hazard, asymmetric information, and adverse selection.

Prerequisites

Eco 241 (microeconomics), Eco 242 (macroeconomics), and Eco 243 (econometrics). Exchange students who may not have taken these courses should e-mail me **before** they pre-register (motahare@union.edu). Please note that *all three courses* are strict prerequisites.

Requirements

The format of the course is a combination of lectures, and seminar presentations by students. There will be two executive summaries (short essays), one oral presentation per student on a topic in one of the above three areas, three 45-minute examinations corresponding to each of the above three areas, and a term paper. This class meets T Th 1:55-3:40. Keeping up with current economic news, and class participation are absolutely essential. If you are not interested in the current economic crisis, this course is not for you.

Students are required to adhere to the following *Professional Code of Conduct* in class. Please **do not sign up for this course** if you are unable to adhere to this code: “In order for everyone to benefit from the educational process in an appropriate environment, adherence to professional conduct in the classroom is expected. Eating, cell-phone use, late arrival, leaving the classroom while the class is in session, conversation which interferes with class activity, and similar unprofessional conduct is not acceptable. Such conduct will lead to point deductions (one point per occurrence) from your course grade.”

This is a WAC Course.

ECO 390

Economic Internship

Prof. Hal Fried

Course Description

This course is designed to provide upper level students with experience in the operation of various economic policy units including agencies and commissions in New York State government, local governments, not-for-profit organizations, banks and other financial institutions, and commercial and industrial enterprises. Each student will be responsible for one or more projects for the company or agency, the substance of which is designed to provide the student an opportunity to apply the tools of economic analysis to real world problems.

Prerequisites

Enrollment will normally be limited to junior and senior majors in economics with strong academic records and a solid foundation in economics. Economics 241, 242 and 243 are prerequisites. Senior managerial economics majors receive preference.

Requirements

Do not even think about taking this course unless you are prepared to do LOTS of work. Each student is expected to work in the position 10 to 12 hours per week, to complete a project or projects, and to write a paper based upon the internship. We meet as a group at least once every week. You must be available Tuesday and Thursday from 1:55 pm – 3:40 pm. There will be one or more books that you will be required to buy, to read and to discuss. There may even be a test or two or three or four or ...

Successful interns are self-starters who are capable of working independently and without continuous supervision. Familiarity with statistics and computers will be helpful for some internships, although no such experience is necessary for many others. Most importantly, you must find the internship interesting. The internship does not have to relate to economics. Students are required to find their own internships.

If you are willing to make a commitment to this program in the Winter term, please FILL OUT THE ATTACHED INTERNSHIP APPLICATION AND SEND IT TO bieleckp@union.edu or obtain the application in the Economics Department, Lippman 221 and give it to Peggy Bielecki, Economics Department Administrative Assistant, no later than Tuesday, October 18 before 4:00 p.m. AND FILL OUT THE REQUEST PETITION COURSE ECO 390 via the WEBADVISING SYSTEM open to students on Saturday, Oct.17 through Tuesday, Oct. 15. A list of accepted students will be posted via the WEBADVISING SYSTEM on Tuesday, October 27.

Your Internship begins on the first day of classes in January.

ECO 391

Income Tax: Policy & Practice

Prof. O’Keeffe

IMPORTANT: Email Prof. O’Keeffe at mathcircle@gmail.com AS SOON AS POSSIBLE if you are considering this class. There is a mandatory IRS orientation session you MUST attend during one evening in the fall term to prepare. Email Prof. O’Keeffe so you get on her list to receive notifications as to when those sessions will be offered.

Course Description:

Economics 391 is a service-learning course which integrates theory and practice in addressing income tax policy issues.

Students run a Volunteer Income Tax Assistance (VITA) Site at the College's Kenney Community Center at which they assist low-income tax payers in filing their tax returns.

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. This class is a good choice for students considering careers in public policy or public administration, as well as law, accounting, marketing, and other related professions. Because I spent a number of years teaching at Harvard's Kennedy School of Government as well as a semester teaching at Harvard Law School, I would be happy to discuss professional school plans with interested students during office hours.

Prerequisites:

The prerequisites for the course are Economics 241 (Microeconomic Analysis) and Economics 243 (Econometrics). In addition, students must have a minimum cumulative GPA of 2.9 to enroll in the course.

Requirements:

The work for this course is heavily front-loaded, because students must get up to speed quickly on current tax law and the electronic tax-filing software BEFORE beginning to assist taxpayers in the second half of January.

The IRS will provide us with free training materials, so you will not need to purchase a textbook for the class. I will send information and tax law preparation materials to enrolled students during the winter break. Students should send winter break contact information (postal mailing

address, email, and phone numbers) to me at mathcircle@gmail.com. I will be happy to help students with questions via email before the class begins.

I will administer an IRS certification test in the first week of the winter term. You must pass the certification exam in order to prepare tax returns. (Students who do not pass the first certification test may take a second makeup test, but both test grades will count in their course average. Students who pass the first certification test will also take the second test for additional practice.)

There is a lot to learn very quickly so that you will be competent, confident, and professional in your work with taxpayers. In addition, there is much work for students to do in community outreach, organizing and publicizing the program.

Once the tax season is well under way in February, the workload will become much less intense, so this course is a good choice for those students whose other classes have more work in the latter half of the winter term (e.g., senior thesis writers!)

The success of the program depends on all students conducting themselves in a professional and responsible manner. Students are expected to attend all site hours for which they are scheduled and to keep all scheduled appointments. Students will be required to keep a contemporaneous log of their work, updated regularly on our course website. It is essential that each student respect the sensitivity and confidentiality of the information that their clients will be sharing with them.

Course grades will be determined by: scores on the certification exams, class participation and completion of tax returns (including logs), as well as a paper and class presentation on an income tax policy issue.

The course will meet Mondays and Wednesdays from 7 to 8:40 p.m.

Students should also expect to spend a minimum of 6 hours a week outside of regular class time in scheduled work with clients.