

## Course Syllabus for Applied Economics: for GSP

Spring of 2017

**Lecturer:** Sung Keuk-Je,

**Contact:** phone ext. 2351, [kjsung@khu.ac.kr](mailto:kjsung@khu.ac.kr)

**Description:** This course is primarily designed to introduce principles of economics in a practical way for those students who have not taken any rigorous economics courses. Accordingly, emphasis will be laid on the way economists think, and on practical issues, rather than on mathematical details. After taking this course, it is hoped that the students can understand and have their own views on economic issues that appear in the news media, albeit rudimentary. The textbook written by Gregory Mankiw was chosen, keeping this emphasis in mind. It is almost without mathematics, but with some graphs, case studies and newspaper articles. On the other hand, modern economies seem more concerned with macro-economic issues. In that regard, a second textbook on macroeconomics was added to the required reading list, which is also designed for non-degree seeking students in economics. Additionally, I also strongly recommend students to read a book written by Paul Krugman for easy understanding and explanation for the economic way of thinking in the past several decades.

The class will be mainly driven by brief student presentations, followed by recapitulation and some additional material by the lecturer. Thus, students are requested to form nine (9) groups, each of which consists of about 2 students for the presentation. Presentations should be short, clear and succinct; it should not last more than 15 minutes. You may summarize the content in a logical and coherent way as if you were the lecturer. You should be also prepared to answer the questions.

Students are also requested to submit essays, no longer than two pages, on the required reading. Choose **ONE** of the chapters among the required reading for each week. This essay is not meant to summarize the material, but to give you an opportunity to review the topics in your own way, and give a critique on the topics. Or, you may write on your personal experience from real life related to the topics. Each essay should also contain at least one intelligent(?) question on **EACH** of the chapters in the required reading. The essays should be submitted in printed form, not by e-mail, before the class of the week. Late submissions will face penalty. Please write your name, date of submission, and the chapter of your choice.

### **Textbook:**

Principles of Economics(“Principles”), N. Gregory Mankiw, seventh edition, Harcourt College Publishers ([www.harcourtcollege.com](http://www.harcourtcollege.com) also provides internet-based supporting materials) – available at the bookstore

### **Recommended reading:**

The Essence of the Economy(“Essence”), J. Nellis and D. Parker, second edition, 1996, Prentice Hall – available from the lecturer

Peddling Prosperity, Paul Krugman, W.W. Norton & Company, 1994 – available from the lecturer

Kicking Away the Ladder, Ha-Joon Chang, Anthem Press, 2002  
The Undercover Economist, Tim Harford, Oxford University Press, 2006

### **Class Schedule:**

1. Week 1 Introduction by the lecturer

Part 1 of Principles; Introduction

Chapters 1, 2 and 3

2. Week 2 Supply and Demand

Ch. 4 of Principles; The Market Forces of Supply and Demand(Group 1)

Ch. 5 of Principles; Elasticity of and Its Application(Group 2)

3. Week 3 Efficiency and Taxation

Ch. 6 of Principles; Supply, Demand, and Government Policies(Group 3)

Ch. 7 of Principles; Consumers, Producers, and the Efficiency of Markets(Group 4)

Ch. 8 of Principles; Application: The Cost of Taxation(Group 5)

4. Week 4 International Trade and Externalities

Ch. 9 of Principles; Application: International Trade(Group 6)

Ch. 10 of Principles; Externalities(Group 7)

5. Week 5 Production Aspects

Ch. 13 of Principles; The Cost of Production(Group 8)

Ch. 14 of Principles; Firms in Competitive Markets(Group 9)

6. Week 6 Various Market Structures

Ch. 15 of Principles; Monopoly(Group 1)

Ch. 16 of Principles; Monopolistic Competition(Group 2)

Ch. 17 of Principles; Oligopoly(Group 3)

7. Week 7 Factor Markets and Welfare Issues

Ch. 18 of Principles; The Markets for the Factors of Production(Group 4)

Class adjustment

8. Week 8 Structure of National Economy

Ch. 3 of Essence; Understanding Economic Flows (lecture)

9. Week 9 (April 28<sup>th</sup>)

Mid-term exam

10. Week 10 National Income Determination and Fiscal Policy

Ch. 4 of Essence; National Income Determination (lecture)

Ch. 5 of Essence; Fiscal Policy (lecture)

11. Week 11 Monetary Policy (group 5)

Ch. 29 of Principles: The Monetary System

Ch. 30 of Principles: Money Growth and Inflation & schedule adjustment

12. Week 12 The Macroeconomics of open economies

Ch. 31 of Principles: Open-Economy Macroeconomics: Basic Concepts (group 6)

Ch. 32 of Principles: A Macroeconomic Theory of the Open Economy (just reading for reference)

13. Week 13 Short-run economic fluctuations

Ch. 33 of Principles: Aggregate Demand and Aggregate Supply (Group 7)

Ch. 34 of Principles: The Influence of Monetary and Fiscal Policy on Aggregate Demand (Group 8)

14. Week 14 Short-run economic fluctuations (continued)

Ch. 35 of Principles: The Short-run Trade-off between Inflation and Unemployment (Group 9)

15. Week 15

Final Exam

**Grading:**

Active participation, including discussion in the class is strongly recommended, and will be taken into consideration for grading. Especially, students will be asked to make presentations on the assigned reading requirements during classes. There will be two written exams. Class participation, presentation, submitted essays, and occasional assignments will all be taken into grades. More specifically, two exams will count 60%, presentation and participation 10%, and essays and others 30%.END.