

Economics

The economics major and minor are administered by the Department of Economics: Professors Christiansen, Gabriel, Hartley (*chair*), Moseley, Paus (Director of Global Initiatives), Robinson; Associate Professors Wilson; Assistant Professors Adelman, Katherine Schmeiser; Visiting Professor Khan; Visiting Assistant Professor Steven Schmeiser.

Contact Persons

Dawn Larder, *senior administrative assistant*
James Hartley, *chair*

An economics student will acquire the necessary analytical tools to understand contemporary economic issues and to take reasoned positions in debates about economic and social policy. She will be in a position to apply these tools in a multitude of areas in her future career. Many of the world's most pressing problems—discrimination, environmental destruction, inequality, inflation, poverty, underdevelopment, unemployment—are economic in nature. Economics is concerned with the study of the causes and the possible solutions to these and other economic and social problems. Macroeconomics deals with the economy as a whole, with the forces behind economic growth, the problems occurring in the growth process (such as business cycles, inflation, and unemployment), and government policies to address these problems. Microeconomics focuses on the efficient allocation of resources among alternative uses and addresses such questions as how individuals, firms, and societies decide what to produce, how to produce, and how to distribute the output. Economists study these important issues by combining theoretical models and data analysis. The great human interest of the subject, together with the rigor of its analysis, gives the study of economics its stimulating quality.

Requirements for the Major

Credits

- A minimum of 32 credits in the department beyond the 100 level

Courses

- Economics 211, Macroeconomic Theory
- Economics 212, Microeconomic Theory
- Economics 220, Introduction to Econometrics (or Economics 320, or Psychology 201, or Sociology 225, or Statistics 240, 340) (*A course outside the Department of Economics does not count toward the 32-credit minimum.*)
- Three 300-level courses (two of these must be taken at Mount Holyoke)
- 8 additional credits at either the 200 or 300 level

Students typically begin their study of economics with Introductory Microeconomics (103) and Introductory Macroeconomics (104). These courses are the prerequisites for the required intermediate courses. Which course is taken first makes no difference.

Other

- Majors are encouraged to undertake independent study and research projects under faculty supervision (395fs) in their senior year.

The objective of the core courses is to examine intensively the theoretical tools used in professional economic research. One or more of the core courses is required for each 300-level course in the department. At the intermediate level, a student can choose from a wide array of courses that apply economic theory to particular areas, drawing and building on the concepts and analytical tools developed in the introductory courses. Most 300-level courses are applied courses as well, but the level of analytical sophistication is higher, and students are expected to write substantial analytical research papers. The applied areas offered in the department cover a wide range of subjects, including compara-

tive economic systems, economic development, economic history, economics of corporate finance, economics of race, environmental economics, health economics, history of economic thought, economics of cyberspace, industrial organization, international economics, labor economics, money and banking, and public finance.

Requirements for the Minor

Students are encouraged to consult a faculty member for advice in planning a coherent economics minor.

Credits

- A minimum of 16 credits at the 200 level and above with at least 4 credits at the 300 level

Introductory Courses

Students may begin the study of economics with either one of the traditional introductory courses, Introductory Microeconomics (103) or Introductory Macroeconomics (104). It does not matter which introductory course is taken first. Students who are fairly certain that they want to major in economics are encouraged to take either one of the introductory macro- or microeconomics courses. Students should consult the department chair before selecting courses, if they received a 4 or 5 on one or both of the advanced placement exams in economics, took “A-levels,” or took the International Baccalaureate in economics. The department offers placement exams for those students who have previously covered introductory micro- and macroeconomics.

Course Offerings

100-Level Courses

103fs Introductory Microeconomics

Studies the tools of microeconomic analysis and their applications. Supply and demand for products and for factors of production; production functions and costs; performance of the United States economy in producing and distributing products; and international trade.

Meets Social Sciences III-A requirement

L. Wilson, J. Hartley, M. Robinson

4 credits

104fs Introductory Macroeconomics

Introduces theories of the determinants of output, employment, and inflation; the role of government expenditure and taxation; the nature and control of the money supply and alternative analyses of its influence; current policy debates; and international trade and finance.

Meets Social Sciences III-A requirement

S. Khan, S. Schmeiser, F. Moseley

4 credits

200-Level Courses

These 200-level courses investigate a particular topic in economics at some depth without presupposing prior knowledge of economics. Many students may find one or more of these courses useful complements to majors and minors other than economics.

201s Game Theory

The course will illustrate and analyze the strategies used in making interrelated decisions. Concepts from game theory will be developed using examples and cases drawn from economics, business, politics, and even sports. Applications will include the Prisoner’s Dilemma and related games, signaling, bargaining, voting and power, brinkmanship, and nuclear deterrence.

Meets Social Sciences III-A requirement

M. Robinson

Prereq. Not open to first-year students as their first course in economics; 4 credits

203f Environmental Economics

Application of economic analysis to environmental issues. Topics include: relationships between growth, development, and the environment; effects of externalities on market outcomes; market and nonmarket solutions to environmental problems; cost-benefit and risk-benefit analysis; efficient and equitable use of depletable and nondepletable natural resources.

Meets Social Sciences III-A requirement

S. Khan

Prereq. not open to first-year students as their first course in economics; 4 credits

209s United States Economic History

(Same as History 209) Examines the historical development of the U.S. economy from the colonial period to the present from a variety of theoretical perspectives. The main questions addressed are: What are the reasons for the successes of the U.S. economy (growth, increased productivity, increased living standards, etc.)? What are the causes of the problems or failures in the U.S. economy (unemployment, inflation, inequality, poverty, etc.)? How have different groups in society (classes, races, and genders) been affected differently by these successes and failures? What has been the role of the government in the U.S. economy? The 4th hour is mainly for students who have not had Econ 103 and/or 104.

Meets Social Sciences III-A requirement
F. Moseley

Prereq. Not open to first-year students as their first course in economics; 4 credits

210f Marxian Economic Theory

Introduction to the Marxian theory of capitalism, as presented in the three volumes of *Capital*. Marxian theory is applied to analyze the causes of contemporary economic problems, such as unemployment and inflation, and the effectiveness of government policies to solve these problems. Comparisons made between Marxian theory and mainstream macro- and microeconomics.

Meets Social Sciences III-A requirement
F. Moseley

Prereq. Not open to first-year students as their first course in economics; 4 credits

211fs Macroeconomic Theory

Intermediate macroeconomic theory. Analysis of causes of long-run economic growth and short-run business cycles. Study of the microeconomic foundations of macroeconomic models, consumption, investment, government spending, net exports, money supply, and money demand. Examination of fiscal and monetary policy and U.S. economic relations with the rest of the world.

Meets Social Sciences III-A requirement
J. Hartley

Prereq. Economics 103 and 104 and Mathematics 101 or permission of instructor; Students who have taken the International

Baccalaureate or A-Level exams in economics should consult the department before registering for the course.; 4 credits

212fs Microeconomic Theory

Theoretical analysis of consumer and firm behavior, the role of prices in an economic system with various market structures, interrelationships of product and factor markets in a general equilibrium model, and the implications of the price system for resource allocation and economic welfare.

Meets Social Sciences III-A requirement
K. Schmeiser, S. Schmeiser

Prereq. Economics 103 and 104 and Mathematics 101 or permission of instructor; Students who have taken the International Baccalaureate or A-Level exams in economics should consult the department before registering for the course.; 4 credits

213f Economic Development: A Survey

A study of micro-economic development topics related to how households in lower-income countries consume and produce food. Topics include the causes and consequences of hunger and malnutrition, the agricultural household model, household-level food production and demand, intra-household allocation and bargaining, human and social capital investments and their impacts on food production and consumption, land rights and land use, child labor, and risk, credit and insurance markets used by agricultural households.

Meets multicultural requirement; meets Social Sciences III-A requirement
S. Adelman

Prereq. Economics 103 and 104; 4 credits

215f Economics of Corporate Finance

An investigation of the economic foundations for investment, financing, and related decisions in corporations. Topics include capital markets and institutions; analysis of financial statements; sources and uses of funds; capital budgeting and risk; cost of capital; portfolio theory; the impact of corporate decisions on the economy. Some attention given to recent developments in the stock market, in the merger movement, and in international finance. See <http://www.finance-class.us> for a more detailed description.

Meets Social Sciences III-A requirement

S. Gabriel

Prereq. soph, jr, sr, Economics 103 and 104; 4 credits

218s International Economics

The first part of the semester investigates reasons why nations trade and factors that determine trade patterns, focusing on examples of agricultural and food trade. Using the basic tools of microeconomics, it considers the welfare and distributional impacts of free trade among countries. Further topics include barriers to trade, reasons for limiting trade, international food and agricultural policy, and current trade policy issues. The second part introduces the students to basic models in international finance and studies applications of current policy issues such as fixed exchange rates and the Euro.

Meets Social Sciences III-A requirement

K. Schmeiser

Prereq. Economics 103 and 104; 4 credits

220fs Introduction to Econometrics

A study of statistical methods applied to economic and social data. Measures of central tendency and dispersion, point and interval estimation, hypothesis testing, simple correlation, and simple and multiple regression analysis.

Does not meet a distribution requirement

S. Adelman

Prereq. Economics 103 and 104 and Mathematics 101 or permission of instructor; 4 credits

225s Economics of Health Care and Health Service Organizations

Economic aspects of health and health care in developing countries. Topics cover measuring health outcomes for welfare analysis, economic determinants of health and health care demand, the contribution of improved health and nutrition on economic development, and considerations in designing and evaluating health care interventions. Additionally, the course will cover micro-economic topics related to specific public health problems in developing countries.

Meets Social Sciences III-A requirement

S. Adelman

Prereq. Economics 103; 4 credits

300-Level Seminars

The following seminars have 200-level prerequisites and are intended to provide the student with an extensive and in-depth analysis of a particular subject.

306s Political Economy of Race and Class

(Speaking-intensive course) Junior/senior colloquium on the political economy of race and gender-based inequality in the U.S. Uses the collaborative research model to conduct primary research. Course begins by theorizing overdeterminations of race, gender, and class. Then, working in groups students cultivate comprehensive social research skills, moving from topic identification to capstone paper. Previous topics include affirmative action and group-based preferences in public policy, equity/efficiency and family policy, costs/benefits of privatization of public goods, "model minorities" and cultures of poverty, human capabilities and governing through crime, work and wage inequality, and ecological hazard.

Meets multicultural requirement; does not meet a distribution requirement

L. Wilson

Prereq. Economics 212; 4 credits

307s Seminar in Industrial Organization

Analysis of theoretical models and empirical studies on the economic performance of industries. Approaches studied include transaction cost economics, game theory, and pricing models. Topics include advertising; research and development; and relationships between government and business such as regulation and antitrust laws.

Does not meet a distribution requirement

K. Schmeiser

Prereq. jr, sr, Economics 212; 4 credits

312f Seminar in International Trade

Examines current events in international trade. The emphasis of this course is on current trade policy debates in the WTO agenda. It investigates topics such as the expansion of regional trade agreements, environmental and labor standards, the TRIPs agreement, agricultural protection and market access, trade in services, and electronic commerce.

Does not meet a distribution requirement

K. Schmeiser

Prereq. jr, sr, and one of the following courses: Economics 218, 216, or 212; alternates with Economics 313; 4 credits

314s Economic Development in the Age of Globalization

(Speaking- and writing-intensive course) A topical coverage of development economics used in conventional textbooks does not do justice to the evolution of integrated thinking in the field. A topical organization also does not do justice to the topic linkages or to the important debates in the field. This course adopts a history of macro development economics thought approach with an emphasis on alternative approaches right up to the current debates. While the field started in the 1940s, the influence of classical economists and Marx on the pioneering development economists and the field will also be traced. *Meets multicultural requirement; does not meet a distribution requirement*

S. Khan

Prereq. jr, sr with Economics 213 and either 211 or 216 or 217 or 218; 4 credits

315f History of Economic Thought

Study of the historical development of economics by reading the original works of the "great masters": Smith, Ricardo, Marx, Marshall, and Keynes. Also examines the influence of the social context in which these theories were developed. Provides a historical perspective on modern microeconomics and macroeconomics - how these modern theories are similar to and different from earlier theories.

Does not meet a distribution requirement

F. Moseley

Prereq. jr, sr, Economics 211 and 212; 4 credits

320s Econometrics

A study of advanced statistical methods in quantifying economic theory. Emphasis on the practical application of regression analysis to test economic theory, especially where the assumptions underlying ordinary least squares analysis are violated. Examines several different subjects that illustrate empirical economic research.

Does not meet a distribution requirement

M. Robinson

Prereq. jr, sr, Economics 211, 212, 220; 4 credits

326f Economics of Cyberspace

This seminar explores the impact of the Internet, information technology, and the networked information economy on finance, markets, innovation and invention, intellectual property rights, public finance and taxation, security and cybercrime, media, and social networking. We investigate the implications of the networked information economy for the creation of new economic (and social) relationships. We also examine the continuing struggle over regulation of cyberspace and the definition and enforcement of intellectual property rights.

Meets Social Sciences III-A requirement

S. Gabriel

Prereq. Economics 212 or 215; 4 credits

338s Money and Banking

Monetary theory and policy. Overview of financial markets and institutions. Explores the nature of money and the effects of changing money supply on the economy, theories of money demand, the various methods by which monetary policy can be conducted and the advantages and disadvantages of each, methods of banking regulation and the attendant problems that arise, and important episodes in monetary history (e.g., the Great Depression).

Does not meet a distribution requirement

J. Hartley

Prereq. jr, sr, Economics 211; Mathematics 101 recommended; 4 credits

349f Advanced Topics in Economics: Economic Development in the Age of Globalization: Corporate Governance

This seminar course studies the theory and practice of corporate governance. Topics include the legal and regulatory environment in which corporations operate, agency theory, executive compensation, the board of directors, debt covenants, corporate control, and stakeholder rights. We will analyze and evaluate current events in corporate governance using the tools discussed in class.

Does not meet a distribution requirement

S. Schmeiser

Prereq. jr, sr with Economics 211 and 212; 4 credits

350f Lessons from South Asian Economic Development

The theme of this course is partnerships for development, including public-private, public-civil society and foreign-national. The initiatives include harnessing social capital for rural development, micro-credit, and producer cooperatives; industrial clusters and export promotion; devolution for service delivery, forest management and employment guaranteed schemes; containing population growth; attaining human development; economics of happiness; tourism; value-chains and garment exports. In addition, debates pertaining to country performance will be explored. Students will also prepare and present their own case studies and discussant reports and submit brief article responses.

Does not meet a distribution requirement
S. Khan

Prereq. jr, sr, Economics 211, 212, and 220 or Economics 213 and 220 or permission of instructor; 4 credits

391f Senior Thesis Seminar

This seminar is organized around students who are writing honors theses. It is meant to provide a group context for the thesis-writing process, where students present their research at various stages, critique each other's work, and discuss similarities and differences in the analytical processes they are working through. Course graded on a credit/no credit basis.

Does not meet a distribution requirement
J. Hartley

Prereq. sr; 2 credits

Independent Research

We strongly encourage students to pursue independent research under Economics 295 or 395. These courses, which are offered for a variable number of credits, provide opportunities for many different kinds of independent projects. Both 295 and 395 typically encompass a small research project, possibly in conjunction with faculty research.

A student works individually on her thesis, usually over a two-semester period, by registering for Economics 395 (4 credits in each semester) for a total of 8 credits. Each thesis is supervised by a committee of two faculty

members, one of whom serves as the primary advisor.

Students pursuing a thesis should also enroll in Economics 391, a 2-credit seminar, in the fall of their senior year. In Economics 391, students present their research at various stages, critique each other's work, and discuss similarities and differences in their analytical processes.

A one-semester 395 project may not be counted toward the courses required for the major or minor at the 300 level. For a two-semester 395 project, culminating in a thesis, the second semester may count toward this requirement.

295fs Independent Study

Does not meet a distribution requirement
The department

Prereq. soph, jr, sr, and permission of department; 1-4 credits

395fs Independent Study

Each student carries out a research project of her own choice under close faculty supervision and submits a documented paper on her findings.

Does not meet a distribution requirement
The department

Prereq. jr, sr, Economics 211 and 212, and permission of instructor; 1-8 credits