

Faculty

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Personal fulfillment and effective citizenship require some understanding of the principles of human interaction in society. Economics is the scientific study of choosing how best to use technology and limited resources so as to maximize individual or social welfare. Through its analysis of behavior, economics can add much to our understanding of vital public-policy issues. A grasp of the principles of economics enables students to analyze problems such as inflation, unemployment, economic growth, pollution, monopoly power, consumer exploitation, race and gender discrimination, strikes, urban blight, and international trade.

Economics can also be defined by its methods of analysis. In seeking to

understand and predict social behavior, economists build, test, and revise models. Economics students learn to work with models of the behavior of consumers, producers, factor suppliers, and government. They study the markets in which these economic agents interact. This technique for understanding the experience of men and women in society differs sharply from the literary and intuitive methods of the humanities and fine arts.

Economics is a highly integrated discipline in which most economists work simultaneously with theory, analytical models, data, quantitative research methods, and public-policy issues. Each economics course at Kenyon introduces all of these elements, in varying mixes. The common thread among the courses is reliance on models that explain and predict human behavior. Economics courses at Kenyon are designed to help students develop the ability to think in a rigorous, analytical fashion and to develop communication skills. This emphasis places economics at the heart of liberal-arts education.

New Students

ECON 101 (Principles of Microeconomics and Public Policy) and ECON 102 (Principles of Macroeconomics and International Trade) are the complementary set of foundation courses in economics. Both are lecture and discussion courses with between twenty and thirty students in each section. The introductory

courses survey theories of producer and consumer behavior and show how these theories can be used to predict the consequences of individual, business, and government actions. Current public-policy issues are also studied. Sections of these courses are taught by different instructors, using different teaching styles. All sections, however, feature several essay examinations each semester, and in most sections there are also homework assignments or quizzes and one paper. In addition to a common major text, most sections also introduce readings about current issues. These courses are an excellent introduction to economics for those who plan no further work in the discipline, but they are also the foundation and prerequisites for all upper-level courses and the first courses in the economics major.

When should one enroll in ECON 101 and ECON 102? Even though ECON 101 and 102 are challenging introductory courses, most first-year students who take these courses perform well. Those students who are most successful in the principles courses have a strong general preparation for college, reasonably good study habits, and academic motivation to keep up with reading and homework assignments every week.

There are significant advantages in taking ECON 101 and ECON 102 as a first-year student. The courses prepare one to take virtually any other economics course starting in the sophomore year. Students who are seriously considering an economics major often find this early start helpful.

Can economics majors participate in off-campus study in the junior year? Yes, but those who plan to major in economics and study off campus should seriously consider enrolling in ECON 101 and 102 as first-year students and ECON 201 and 202 (intermediate economic theory) as second-year students to provide a sound base for off-campus study.

Requirements for the Major

Successful completion of ECON 101 and ECON 102 with a grade of at least C in each is a prerequisite for admission to the major program. A minimum of 3 1/2 additional units, for a total of 4 1/2 units within the department, is required, including ECON 201 and 202, a semester of seminar, and a course in quantitative methods. This last requirement may be satisfied by either ECON 205 (Empirical Economics) or ECON 375 (Introduction to Econometrics), both of which have a prerequisite of a college introductory statistics course. The seminar requirement may be satisfied by an economics seminar but *not* by an interdisciplinary seminar such as PPOL 440.

The Honors Program

The Honors Program in economics provides an opportunity for more independent research and study than is available in regular courses of study. Honors candidates are required to participate in both the junior and senior honors seminars, and in ECON 375 (Introduction to Econometrics). In the honors seminars, students present and discuss with their peers the results of their research. Those interested in the Honors Program should discuss this possibility with a member of the department.

The Senior Exercise

The Senior Exercise involves a systematic effort to understand social behavior using economic principles. The exercise will allow majors to gain an appreciation of the integrity of economics as a discipline. Majors must answer two essay questions. Students typically receive the questions in early December and their answers are due at the beginning of the second week of classes for the spring semester. There is also a

standardized written examination and an oral examination conducted by the economics faculty members for each student who completes the written portion of the exercise. Honors majors must answer a third essay question in addition to the two which all the majors must answer. Their oral examination is conducted by an outside examiner.

First-Semester Courses

Principles of Microeconomics and Public Policy

◆ QR ECON 101 (1/2 unit)
Staff

This course studies issues of economic choice, economic efficiency, and social welfare. The course presents theories of consumer and producer behavior and shows how these theories can be used to predict the consequences of individual, business, and government actions. Topics covered include opportunity cost, supply and demand analysis, and price controls; consumer choice; production and cost; product pricing, market structure, monopoly power, and government regulation; labor markets, wages, discrimination, and poverty; and energy problems, resource conservation, and pollution. This course is required of students who major in economics.

Principles of Macroeconomics and International Trade

◆ QR ECON 102 (1/2 unit)
Staff

This course studies national economic performance. Building upon the microeconomic theories of consumer and producer behavior developed in ECON 101, the course introduces models that focus on the questions of unemployment, inflation, and growth. Topics covered include measurement of national income and inflation, macroeconomic models, saving and investment, money and banking, fiscal and monetary policy, and international trade and finance. This course is required of students who major in economics. Prerequisite: ECON 101.

Microeconomic Theory

QR ECON 201 (1/2 unit)
Tretheway

This course offers an intensive study of the internal structure of a market economy. Theories of consumer behavior, production, exchange, the determination of prices and wages, and income distribution are examined. Market performance is evaluated with reference to the efficiency with which resources are allocated. Prerequisites: ECON 101 and ECON 102.

Empirical Economics

QR ECON 205 (1/2 unit)
Keeler

Students learn how to express economic concepts in quantitative terms, perform basic statistical measures and tests of hypotheses using a spreadsheet program, and interpret quantitative presentations of information. Students will learn how the economics literature presents research by studying examples from journal articles. Students also study the choice of appropriate methods for analyzing empirical economic research questions. Topics include the scientific method, applications of statistical concepts in economics, measurement of economic concepts, and the use of mathematical models, graphs, and data sources. Prerequisites: ECON 101, ECON 102, and a college course in statistics, or permission of the instructor. Enrollment limited.

Special Topic: Issues in Developing Economies

ECON 334 (1/2 unit)
An

Please see the department chair for a description of this course.

Money and Financial Markets

QR ECON 343 (1/2 unit)
Melick

This course examines U.S. money and financial markets and their interaction with and influence on prices, real output, employment, and international trade. After an extensive discussion of fixed income pricing and the term structure, the class will consider the operations of financial

institutions and the Federal Reserve System. The implementation of monetary policy and its effect on domestic and foreign financial markets, real output, and foreign trade will also be examined. In addition, alternative domestic and international monetary arrangements will be considered. While completing assignments, students will make fairly heavy use of a spreadsheet program such as Excel. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Economics of the Public Sector

ECON 347 (1/2 unit)

Corrigan

This course is a study of the public sector in the U.S. economy, featuring government provision of public goods, redistribution of income, and taxation. Students consider the theory that justifies government intervention in a market economy, as well as the reasons for government's tendency to create economic inefficiencies. Specific expenditure programs such as defense, health care, education, social insurance, and welfare are studied, as well as specific taxes. Each student writes a term paper. Prerequisites: ECON 101 and 102 or permission of instructor.

International Economics

QR ECON 349 (1/2 unit)

Trethewey

This course studies the international economic relations between nations in part through an analysis of trade, foreign investment, migrations of people, and government policies to either promote or restrict the free movement of goods and services, capital, and people across national borders. The macro and monetary aspects of these relationships are also studied, with an emphasis on the effects on employment, welfare, and economic development. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Special Topic: The Economics of Globalization

ECON 373 (1/2 unit)

Melick

Economic theory and analysis can offer many insights into the increasing

integration of world activity—the phenomenon call globalization. After examining the historical record to determine if the current level of integration is unique, we will use economic theory to assess and explain the pattern of trade flows and the extent of capital market integration. A series of topics will then be explored, including the effect of globalization on economic growth and development, income inequality, labor markets, and the environment, including natural resource utilization. We will discuss the role of international institutions such as the International Monetary Fund, World Bank, and World Trade Organization. Throughout the course, careful attention will be paid to the empirical work used to support arguments both for and against globalization. Prerequisites: ECON 101 and ECON 102 or permission of the instructor.

Introduction to Econometrics

QR ECON 375 (1/2 unit)

Keeler

This seminar will study the empirical testing of economic models. Emphasis will be given to linear regression techniques, special problems associated with estimating economic relationships, and interpretation of the results. Each student will undertake and report on a research project. Prerequisites: a semester of college statistics, ECON 101 and ECON 102, or permission of the instructor. Enrollment limited.

Individual Study

ECON 393/493 (1/2 unit)

Staff

This course is for students who wish to do advanced work beyond regular courses or to study subjects not included in course offerings. Prerequisites: ECON 101, ECON 102, and permission of both the instructor and the chair of the department.

Junior Honors Seminar

QR ECON 397 (1/2 unit)

Harrington, Krynski

This seminar, focusing on health economics, is for juniors who are candidates for honors in economics.

Students undertake a series of research projects, write papers, and discuss the results of their research with fellow students. Prerequisites: junior standing and permission of instructor.

Senior Honors Seminar

QR ECON 497 (1/2 unit)

Harrington, Krynski

This seminar, focusing on health economics, is for seniors who are candidates for honors in economics. Students undertake a series of research projects, write papers, and discuss the results of their research with fellow students. Prerequisites: Junior Honors Seminar, senior standing, and permission of instructor.

Second-Semester Courses

Principles of Microeconomics and Public Policy

◆ QR ECON 101 (1/2 unit)

Staff

See first-semester course description.

Principles of Macroeconomics and International Trade

◆ QR ECON 102 (1/2 unit)

Staff

See first-semester course description.

Macroeconomic Theory

QR ECON 202 (1/2 unit)

Keeler

This course is a theoretical and applied study of the level of national income and employment. The performance of the economy, in terms of prices, interest rates, unemployment rates, international trade relations, business cycles, and the long-run growth of income, has significant effects on our standards of living. The course will offer explanations of macroeconomic performance in these aspects. Diverse schools of thought exist, distinguished by theoretical concepts, priorities in performance goals, and empirical evidence. The course will consider these approaches and also emphasize the microeconomic foundations of macroeconomic theory. Government is active in the management of both domestic and interna-

tional aspects of the macroeconomy, and the course will consider current public-policy issues. Prerequisites: ECON 101, ECON 102, and ECON 201, or permission of the instructor.

Economics of Development

QR ECON 331 (1/2 unit)
An

Students examine the economic conditions and problems of developing economies. Alternative theories of economic development are studied, as are strategies for achieving development goals. Specific topics include the meaning of development; historical and theoretical perspectives; income distribution; agriculture, population, and human resources; industrialization, employment and technology; urbanization and migration; foreign trade, investment, and aid; and government planning. Prerequisites: ECON 101 and ECON 102 (or ECON 102 concurrently), or permission of the instructor.

Environmental Economics

QR ECON 336 (1/2 unit)
Corrigan

This course will use economics to understand better the nature of environmental issues and the choices concerning the use of natural resources. The course will also examine the economic rationales for policies aimed at improving the quality of the environment and altering our use of natural resources. The choice between alternative policies to achieve similar objectives will be discussed using a series of case studies of actual policies aimed at correcting environmental problems. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Economics of Regulation

ECON 342 (1/2 unit)
Harrington

This course examines government regulation of the behavior of individuals, firms, industries, and markets. The first half of the course will focus on the economic regulation (and deregulation) of industry and on antitrust policies. Examples of government-imposed restrictions on

prices, quantities, and the freedom to enter and exit industries will be drawn from the airline, electricity, and funeral-services industries. The second half of the course will focus on various types of social regulations, including environmental, health, and safety regulations. Throughout the course, we will explore the economic rationales for the regulations and evaluate their effects upon economic efficiency. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Economic Analysis of Politics and Law

ECON 345 (1/2 unit)
Trethewey

This course examines the underlying foundations of law and politics by using economics to analyze property law, contracts, torts, criminal law, and the new economics of institutional change. Legal applications include problems such as environmental issues, malpractice suits, product and workplace safety, racial and gender discrimination, and crime within society. Political applications include issues such as relative economic performance between nations and regions, income distribution, the relative performance of economic groups, and the role of the state. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Introduction to Econometrics

QR ECON 375 (1/2 unit)
Melick

See first-semester course description.

Economics of Women and Work

ECON 378 (1/2 unit)
Krynski

This seminar will examine the role of women in the labor market and how that role has changed over time. This examination involves a comparison of women and men with respect to labor supply (for both market and nonmarket work), wage rates, occupational choices, and unemployment levels. The seminar will evaluate different economic models that attempt to explain these differences between labor market outcomes for men and women.

Finally, the class will examine some public policy proposals that are aimed at remedying gender differences in work opportunities and pay, in particular comparable worth. Each student will write and present a seminar paper. Prerequisites: ECON 101 and ECON 102, or permission of the instructor. Enrollment limited.

Capstone Seminar in Public Policy

PPOL 440 (1/2 unit)

Fred Baumann, professor of political science; Trethewey

This seminar brings together a political scientist and an economist to consider how these disciplines approach the study of public policy. The course will concentrate on applying both of the disciplines to the study of public policies in the broad realm of urban problems and poverty. We will explore the substantive issues and the process of governmental policy-making in these two realms. How is policy made? What should the policy be? The work of scholars in each discipline will be studied to better understand the differences in approaches and to consider the potential for combining them. What does political science contribute to the study of economic policy-making? What can the tools and perspective of economics contribute to the study of a topic like urban politics? The course is required for students completing the Public Policy Concentration, and it is open to other seniors. Prerequisites: ECON 101, ECON 102, and one course in American politics, or permission of instructors. Enrollment limited.

Individual Study

ECON 394/494 (1/2 unit)
Staff

This course is for students who wish to do advanced work beyond regular courses or to study subjects not included in course offerings. Prerequisites: ECON 101, ECON 102, and permission of both the instructor and the chair of the department.

**The following
courses may be
offered in 2004-05:**

- ECON 101 Principles of Micro-
economics and Public Policy
- ECON 102 Principles of Macro-
economics and International Trade
- ECON 201 Microeconomic Theory
- ECON 202 Macroeconomic Theory
- ECON 205 Empirical Economics
- ECON 331 Economics of Development
- ECON 332 Russian Economic
History
- ECON 336 Environmental Economics
- ECON 337 Portfolio Allocation and
Asset Pricing
- ECON 342 Economics of Regulation
- ECON 343 Money and Financial
Markets
- ECON 344 Labor Economics
- ECON 345 Economic Analysis of
Politics and Law
- ECON 346 Industrial Organization
- ECON 347 Economics of the Public
Sector
- ECON 349 International Economics
- ECON 355 Business Cycles
- ECON 371 History of Economic
Thought
- ECON 372 Macroeconomic Policy
- ECON 375 Introduction to
Econometrics
- ECON 378 Economics of Women
and Work
- ECON 397 Junior Honors
- PPOL 440 Senior Seminar in Public
Policy
- ECON 497 Senior Honors