

Faculty

Galina An
Assistant Professor

Carl T. Brehm
Professor Emeritus

Jay Corrigan
Assistant Professor

Bruce L. Gensemer
Professor Emeritus

David E. Harrington
Himmelright Associate Professor

James P. Keeler
Professor

Kathy J. Krynski
Chair, Himmelright Associate Professor

William R. Melick
Associate Professor

Richard L. Trethewey
Professor

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 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 end of the first 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

Microeconomics is an intensive study of the fundamental logic of economic behavior primarily within the context of a market economy. A systematic

analysis of consumer and producer behavior is developed which in turn is linked together through the principles of exchange and market structure. The resulting explanation of product prices and factor rewards are used to evaluate and analyze economic efficiency and the distribution of welfare under alternative economic policies and conditions. Prerequisites: ECON 101 and ECON 102.

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.

Economics of Immigration

QR ECON 335 (1/2 unit)
Harrington

This course examines the impact of immigration on the U.S. economy, focusing on why people choose to come here and what impact they have on labor markets, product markets, income inequality, the nature of cities, and government budgets. The goals of the course are (1) to develop the analytical tools used by economists to understand the economic effects of immigration, (2) to examine the empirical evidence on these effects, and (3) to assess the political economy and potential economic and political consequences of U.S. immigration policy choices. The course will also examine the impact of immigration on the countries that people leave. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

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.

Business Cycles

QR ECON 355 (1/2 unit)
Keeler

This course explores the patterns of change of the national economy, through business cycle expansions and recessions, and their effects on employment and income. Data on U.S. and worldwide economies will be analyzed to identify regular behavior that characterizes a macroeconomic business cycle. Economic theories will be offered that specify different initial causes of the cycle, some of which are endogenous while others are outside influences such as government policy or technological change. Theories also suggest how the cause is able to generate the full cycle that affects the macroeconomy. The Great Depression of the 1920s and 30s will be considered as an extreme example. Recent and current cycles will be considered to understand their causes and characteristics. Prerequisites: ECON 101 and ECON 102, or permission of the instructor.

Introduction to Econometrics

QR ECON 375 (1/2 unit)
Melick

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.

American Economic History

QR ECON 383 (1/2 unit)
Trethewey

This seminar examines the American past with special emphasis on issues such as the influence of the Constitution on economic growth, welfare, and income distribution; the economics of slavery and the post-emancipation plight of blacks in the economy; and twentieth-century economic policy with special emphasis on the Great Depression. Each student will write and present a seminar paper. Prerequisites: 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)
Corrigan, Krynski

This seminar 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)
Corrigan, Krynski

This seminar 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)
Melick

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 international 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.

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.

Russian Economic History**QR** ECON 332 (1/2 unit)
Trethewey

This course focuses on the Russian economy between the freeing of the serfs in 1861 and the attempted transformation into a market economy in the present. Emphasis is given to the early industrialization and development of the Russian economy, the Soviet revolution, and Marxism's role in the revolution and the development of the Soviet economy. Marxism is analyzed in terms of its economics and politics along with its influence in the Soviet Union. An analysis is made of Soviet economic growth and income distribution, as well as the political economy involved in perestroika and the disintegration of the Soviet Union. Considerable emphasis will be given to the transition problems of the Russian economy and its performance from the early attempts in the 1990s to form a market economy up to the present day. Prerequisites: ECON 101 and ECON 102 (or ECON 102 concurrently), or permission of 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.

Portfolio Allocation and Financial Asset Pricing**QR** ECON 337 (1/2 unit)
Melick

This course examines the optimal allocation of an individual's wealth among risky financial assets and the related question of the pricing of these risky assets. After a consideration of various measures of risk and return, modern portfolio theory is used to derive the capital asset pricing model. The empirical performance of the capital asset pricing model will be analyzed and alternative asset pricing models will be discussed. Throughout the course, equity shares will be used as a particular application. (The pricing of fixed income assets is left to ECON 343 Money and Financial Markets.) The remainder of the course is spent on derivative assets, most importantly futures and options. Time permitting, options will be treated in some detail, concluding with a discussion of the Black-Scholes option pricing model. 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. Recommended: MATH 106.

International Economics**QR** ECON 349 (1/2 unit)
An

This course studies the 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.

Introduction to Econometrics**QR** ECON 375 (1/2 unit)
Keeler

See first-semester course description.

Economics of Health**QR** ECON 386 (1/2 unit)
Krynski

This seminar examines the economic aspects of the production, distribution, and organization of health-care services. Topics include measuring output; structure of markets; demand for, supply of, and pricing of services; and financing mechanisms and their impact on the relevant markets. Analysis will also focus on government policy toward health care and public health, its impact upon institutions and resource allocation, and major policy alternatives. 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 PolicyECON 440 (1/2 unit)
John Elliott, 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. Note: this course is cross-listed as PSCI 440.

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.

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
ECON 440 Senior Seminar in Public
Policy
ECON 497 Senior Honors

**The following
courses may be
offered in 2005-06:**

ECON 101 Principles of
Microeconomics and Public Policy
ECON 102 Principles of Macroeco-
nomics and International Trade
ECON 201 Microeconomic Theory
ECON 202 Macroeconomic Theory
ECON 205 Empirical Economics
ECON 331 Economics of Develop-
ment
ECON 332 Russian Economic
History
ECON 336 Environmental Econom-
ics
ECON 337 Portfolio Allocation and
Asset Pricing
ECON 342 Economics of Regulation
ECON 343 Money and Financial
Markets
ECON 344 Labor Economics