

# Introduction to Political Economy

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**Econ 119 / Poli 145**

**Fall 2013**

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**T-Th 10:05-11:20 a.m.**

**Prof. Michael Munger**

**Campus Office: Gross Building 204E, in Political Science**

**Instructor cell phone (text me in emergencies only!): 919 369 6453**

**Facebook: <http://www.facebook.com/DukeIntroPolEcon2013>**

**Instructor Web Site: <http://www.michaelmunger.com>**

**Office Hours:**

- Immediately after class, in [Trinity Café](#)
- Tuesday 1:30-3:30 pm in [Gross Hall 204E](#)

**Class: White Lecture Hall**

**[munger@duke.edu](mailto:munger@duke.edu)**

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**Teaching Assistants:**

**Cindy Cheng**

**email: [cheng.ps145.13@gmail.com](mailto:cheng.ps145.13@gmail.com)**

**Guadalupe Rojo**

**email: [rojo.ps145.13@gmail.com](mailto:rojo.ps145.13@gmail.com)**

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**Overview:** This course serves three distinct purposes.

- The course is an introduction to economics for *non-majors*. It is a self-contained and non-technical overview of the intellectual history of political economy, the logic of microeconomics, and the definitions used in macroeconomics. Consequently, it counts as a stand-alone Social Science credit, *but it does not count as part of an Economics major*. If you pretty sure you want to be an Economics *major*, this class is a waste of your time. Get the math prereq's out of the way and then take Econ 101 instead.
- It introduces the notion of a *political* economy, emphasizing the moral and ethical problems that markets solve, and fail to solve. Consequently it carries an Ethical Inquiry (EI) course credit.
- It is a bridge to more advanced courses in philosophy, politics, and economics for the student who wants to sample these disciplines without committing to several semesters of coursework.

**Prerequisites:** There are no prerequisites except for high school mathematics. On the other hand, the reading and studying commitments involved in this course are extensive. The student will need to master both a large quantity of historical and philosophical material, and several books, as well as the basic micro theory and macro concepts in the Mankiw text. The exams and reaction papers are quite demanding. In short, while this is an introductory course, it is by no means an easy one.

**Community Standard:** As a member of the Duke community, you pledge to adhere to the Duke Community Standard (see <http://www.integrity.duke.edu/faq/faq1.html>). For advice on how to cite sources and avoid plagiarism, see <http://library.duke.edu/research/plagiarism/index.html>. A personal note: I have zero qualms about pursuing plagiarism cases with every ounce of energy I possess. You will fail the course. You will be kicked out of school. With search engines, it's too easy to detect. Look, if you found it on Google, I can find it on Google. Don't be an idiot. "F: Plagiarism" is forever.

**Grades:** Grades will be based on

- 3 five page (1200 word) “reaction” papers (total of 24%)
- Tuesday quizzes on “virtual sections” (total of 16%)
- Stock market simulation (10%)
- Midterm (25%)
- Final (25%)

*Reaction Papers:* Three outside speakers will present lectures. The lectures will be recorded for those who cannot attend the lecture. Each "reaction" paper is 8%, for a total of 24%. You will be working closely with the Teaching Assistants, Cindy Cheng ([cheng-ps145-13@gmail.com](mailto:cheng-ps145-13@gmail.com) , top half of alphabet) and Guadalupe Rojo ([rojo-ps145-13@gmail.com](mailto:rojo-ps145-13@gmail.com) , second half of alphabet) on these papers. The papers must accomplish three things:

- (a) Summarize the main argument(s) of the outside speaker
- (b) tie those arguments analytically and critically to themes of the class
- (c) present a coherent and well-thought-out argument either agreeing or disagreeing with the speaker, and giving reasons why. In other words, react to (a), using (b)

*Quizzes:* 16% of your final grade will be made up of your average on the quizzes given every Tuesday. The quiz will be posted by 8 am, and will be “due” by 1:00 pm. You must take the quiz in this time slot, and failure to do so counts as a zero grade for that week. You will automatically drop your two lowest grades. (Note: both the podcasts and the quizzes are on-line, so there is no reason you can’t do the assignment, even if you are out of town or can’t come to class!) The quizzes will be made up of three or four short, specific multiple choice questions. If you listened to the podcast, you should be able to answer these questions easily. I am not looking for you to study for the quizzes, just listen to the podcast and get credit.

*Stock Market Simulation:* 10% of your final grade will be calculated with respect to the performance of a randomly selected portfolio of stocks from the NYSE (10 stocks, \$100,000 each, no trading after initial selection). If you do better than the random portfolio, you get full credit, 100%. If you do worse, you get a grade calculated as a percentage of that performance.

*SPECIAL BONUS:* *The two worst performing portfolios each will get a special “I Sucked!” certificate, suitable for framing.* (It’s not easy to lose big, any more than it is easy to win big!)

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We will be using this trading simulator--SmartStocks (<http://www.smartstocks.com/game-demo>).

The group name is

IntPE Fall 2013 Munger

I will give you the password on the first day of class. You will need to set up an account on the system, creating your own username and password. For your user name and your name in the system BOTH, please use this convention:

LastInitialFirstInitialBirthMonthYearofExpGraduationxyz

So sophomore John Smith born in September would be SJ916xyz .

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You will be given \$1 million to trade and create your own portfolio of stocks. You will be free to trade, rearrange, and sell stocks as often as you want. Or, if you think things are going to hell in a handbasket, you can lay out and hold cash, in whatever combination appeals to you. Discounted subscriptions to the *Wall Street Journal* are available, and we will discuss that the first day of class.

**Midterm:** The midterm will be given in class, on Tuesday, October 29. The format will be a combination of 40 multiple choice questions and 10 short answer questions. Each multiple choice question will count two points, and each short answer will count two points, for a total of 100. The midterm counts 25% of the overall grade. If you cannot take the midterm on this date, tell me before class on Tuesday, September 17. No non-medical excuses will be accepted after that date.

**Final:** The final will be given in the regular exam period, as determined by the Office of the Registrar. For this class, this means that the final will be held on Thursday, December 12, 2:00 PM - 5:00 PMpm. The make-up exam if there is a conflict will be on Tuesday, December 10 at 5 pm. Contact the instructor for more information about the make-up exam, if you can't make the normally scheduled exam. The final will be composed of 3 essay questions, chosen at random from 12 questions that will be given to the class two weeks before the date of the final. The final counts 25% of the overall grade.

**Textbooks:** The following books are available at Duke Bookstore. ISBNs included so you can see if you can find used versions cheaper on-line

| <i>Author's Name</i> | <i>Title</i>                              | <i>Edition</i>  | <i>ISBN #</i>         | <i>Publisher</i>       |
|----------------------|---|-----------------|-----------------------|------------------------|
| <b>Burton Folsom</b> | <u><b>Myth of the Robber Barons</b></u>   | 6 <sup>th</sup> | <b>978-0963020314</b> | <b>YOUNG AMERICA'S</b> |
| <b>Greg Mankiw</b>   | <u><b>The Essentials of Economics</b></u> | 6 <sup>th</sup> | <b>978-0538453080</b> | <b>CENGAGE</b>         |
| <b>Peter Leeson</b>  | <u><b>The Invisible Hook</b></u>          | 1 <sup>st</sup> | <b>978-0691150093</b> | <b>PRINCETON UNIV</b>  |

**Virtual “Sections”:** Classes will normally meet for lecture on Tuesday and Thursday of each week. In addition, each week there will *also* be an outside speaker, or a podcast assignment, instead of meeting for “section.” Podcasts will be provided by link to a downloadable mp3 or video URL; outside speakers will be recorded so that their speeches can be downloaded as mp3s also. As noted above, each Monday there will be a quiz on the virtual section for the previous week, unless there was an outside speaker and the section period was just used to work on your papers.

## Schedule of Meetings and Assignments:

[\(Skip Down to “Course Schedule at a Glance”\)](#)

### SECTION I: INTRODUCTION

*Tuesday, August 27:* Class introduction and overview. Readings, grades, sections, and expectations.  
READINGS:

- **Mankiw, G. Textbook, Principles**, Chapters 1-2
- Stocks, the Stock Market, & the Basics of Trading (LINK: <http://www.investopedia.com/university/stocks/>)

### SECTION II: KEY CONCEPTS

*Thursday, August 29:* What IS Capitalism? Why Would Anyone Want It?  
READINGS:

- **Keech, W. & M. Munger**, “Political Economy,” Encyclopedia of Social Science (Sakai)

- **Read, Leonard**, “I, Pencil” (LINK: <http://www.econlib.org/library/Essays/rdPnc11.html> )
- **Bastiat, Frederic**, *Essays, What is Seen and Not Seen*, sections 1-5, paragraphs 1-94. (LINK: <http://www.econlib.org/library/Bastiat/basEss1.html> )
- **O’Rourke, P.J.** “Good Capitalism,” from *Eat the Rich*. (Sakai) (OPTIONAL!) (WARNING: Some salty language. Don’t read O’Rourke if you offend easily)
- **Video 1: Curtis Jackson/50 Cent** (LINK: <http://on.wsj.com/MqKIcU> )
- **Video 2: Pickles** (LINK: <http://www.cbsnews.com/video/watch/?id=50143475n> )

**Week 1 Virtual Section:** “The Travels of a T-Shirt in the Global Economy,” Dr. Pietra Rivoli, (Link: <http://www.youtube.com/watch?v=9yYQqKxz8Tg>)

*Tuesday, September 3: Property*

READINGS:

- **Schmidtz, David**. 1994. “The Institution of Property.” *Social Philosophy and Policy*. 11: 42-62. (LINK--revised version: <http://www.davidschmidtz.com/sites/default/files/articles/InstitutionProperty2012.pdf> )
- **Locke, John**. *Second Treatise on Government*, Chapter 5, “On Property,” (LINK: <http://www.constitution.org/jl/2ndtr05.htm> ) (OPTIONAL: Background on Locke, Stanford Encyclopedia of Philosophy. LINK: <http://plato.stanford.edu/entries/locke-political/> )
- **Rousseau, Jean-Jacques**. “Discourse on Inequality,” Part II. (LINK: [http://www.constitution.org/jjr/ineq\\_04.htm](http://www.constitution.org/jjr/ineq_04.htm) ) (OPTIONAL: Background on Rousseau, Stanford Encyclopedia of Philosophy. LINK: <http://plato.stanford.edu/entries/rousseau/>)
- **Hinman v. Pacific Air Transport**, 1936, 9<sup>th</sup> US Circuit Court of Appeals. (LINK: [http://www.leagle.com/xmlResult.aspx?xmlDoc=193683984F2d755\\_1600.xml&docbase=CSLWAR1-1950-1985](http://www.leagle.com/xmlResult.aspx?xmlDoc=193683984F2d755_1600.xml&docbase=CSLWAR1-1950-1985))
- **Jacques v. Steenberg Homes, Inc.**, 1997, Wisconsin. (LINK: <http://www.wicourts.gov/sc/opinion/DisplayDocument.pdf?content=pdf&seqNo=17010> )
- **Video 1: Cosmides and Tooby**, “Stone Age Minds,” (LINK: <http://www.reasonproject.org/video/show/1310> )

*Thursday, September 5: Price, Just Price, and Opportunity Cost*

READINGS:

- **Munger, MC**. “A Fable of the OC.” Library of Economics and Liberty. (LINK: <http://www.econlib.org/library/Columns/y2006/Mungeropportunitycost.html> )
- **Radford, R. A.** 1945. “The Economics of a POW Camp,” *Economica*. (Sakai)
- **Aquinas, T.** *Summa Theologica*, Questions 75-78. (LINK: <http://www.sacred-texts.com/chr/aquinas/summa/index.htm> )

**Week 2 Virtual Section (BOTH PODCASTS)**

(a) Dr. Anthony Kenny, Oxford University: “The Ethics of Aquinas.”

(<http://cdn2.libsyn.com/philosophybites/KennyAquinas.mp3?nvb=20080518092115&nva=20080519092115&t=05b4de85c22beb6e47bdd> )

(b) Dr. Michael Sandel, Harvard University: “On What Should Not Be Sold”

([http://cdn2.libsyn.com/philosophybites/Michael\\_Sandel\\_on\\_What\\_Shouldnt\\_Be\\_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540](http://cdn2.libsyn.com/philosophybites/Michael_Sandel_on_What_Shouldnt_Be_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540) )

*Tuesday, September 10: Outside Speaker 1--Dr. Emanuel-Mihail Socaciu*

(<http://www.filosofie.unibuc.ro/socaciu>), Department of Philosophy, Research Center for Applied Ethics, University of Bucharest, Romania

Topic: "How Networking, Barter and the Black Market Helped Us Survive." (How a loosely functioning "market order" emerged, even under Romanian Communism).

**NOTE: Reaction Papers will be due on Thursday, September 19. Late papers will not be accepted.**

*Thursday, September 12: Entrepreneurship I*

READINGS:

- **Couyoumdjian, J.P., and M.C. Munger**, "The Entrepreneurial Virtues." (Sakai)
- **Maugham, Somerset**, "The Verger." (LINK: <http://www.sinden.org/verger.html> )
- **Folsom, B.W.**, textbook, Chapters 1-2.

**Week 3 Virtual Section** (no assignment, work on evaluation paper on Dr. Socaciu)

*Tuesday, September 17: Entrepreneurship II*

READINGS:

- **Munger, M.C.** "Two Steves and One Soichiro." (LINK: <http://www.econlib.org/library/Columns/y2006/Mungercollectivism.html> )
- **Kirzner, Israel.** "Competition, Regulation, and the Market Process: An "Austrian" Perspective" *Cato Policy Analysis* #18 (LINK: <http://www.cato.org/pubs/pas/pa018.html> )
- **Kirzner, Israel**, "Creativity and / or Alertness: A Reconsideration of the Schumpeterian Entrepreneur" *Review of Austrian Economics*, 1999 11: 5-17. (LINK: <http://link.springer.com.proxy.lib.duke.edu/content/pdf/10.1023%2FA%3A1007719905868.pdf> )
- **Folsom, B.W.**, textbook, Chapters 4-5.

*Thursday, September 19: Broken Windows, and the Diamond / Water Paradox*

**NOTE: First reaction paper due**

READINGS:

- **Bastiat, F.** What is Seen and Not Seen, Paragraphs 1.1 – 1.31 (LINK: <http://www.econlib.org/library/Bastiat/basEss1.html>)
- **Bastiat, F.** *Economic Sophisms*, "A Candlemakers' Petition" and "Differential Tariffs", Chapters 7-8 (LINK: <http://www.econlib.org/library/Bastiat/basSoph3.html> )
- **Mankiw Textbook, Chapter 3**
- **Video 1:** Mike Hewitt's "Diamond and Water Paradox" (LINK: <http://youtu.be/It0pKKDfFlo>)
- **Video 2:** Michael Munger, "Why Do We Exchange Things?" (LINK: [http://www.youtube.com/watch?v=W-qGYIRtCcM&feature=player\\_embedded](http://www.youtube.com/watch?v=W-qGYIRtCcM&feature=player_embedded) )

**Week 4 Virtual Section** Tim Draper—Calling All Entrepreneurial Heroes! (LINK: <http://soundcloud.com/ecorner/tim-draper-calling-all>)

*Tuesday, September 24: The Problem of Exchange and the Origins of Markets*

READINGS:

- **Aristotle**, *Nicomachean Ethics*, Books III and V, (LINK: <http://classics.mit.edu/Aristotle/nicomachaen.mb.txt> )
- **Locke, John.** "Venditio." (Sakai)
- **Guzman, R. and Munger, MC.** "Euvoluntariness and just market exchange: Moral dilemmas from Locke's Venditio." *Public Choice* (Sakai)

- **Smith, A.** The Wealth of Nations, Book I, Chapters 1-4 (LINK: <http://www.econlib.org/library/Smith/smWN1.html#B.I> , Ch.1, Of the Division of Labor)
- **Video 1:** Michael Sandel—Justice and Virtue in Aristotle’s Conception  
<http://www.justiceharvard.org/2011/02/episode-10/#watch>

## SECTION III: THE FRAMEWORK OF ECONOMICS

*Thursday, September 26:* Supply and Demand--The Market System as a Source of Information  
READINGS:

- **Hayek, FA** “The Use of Knowledge in Society,” AER 1945 (LINK: <http://www.econlib.org/library/Essays/hykKnw1.html>)
- **Mankiw Textbook** Chapter 4
- **Munger, MC** “Everything You Know About Recycling is Wrong. Cato Unbound” (LINK: <http://www.cato-unbound.org/2013/06/03/michael-c-munger/recycling-can-it-be-wrong-when-it-feels-so-right> )
- Video 1: Michael Munger, “What Do Prices Know That You Don’t?” (LINK: <http://youtu.be/WPy-QKXofQs>)

### Week 5 Virtual Section: Ethics and Prices (BOTH PODCASTS)

- (a) Dr. Anthony Kenny, Oxford University: “The Ethics of Aquinas.”  
(<http://cdn2.libsyn.com/philosophybites/KennyAquinas.mp3?nvb=20080518092115&nva=20080519092115&t=05b4de85c22beb6e47bdd> )
- (b) Dr. Michael Sandel, Harvard University: “On What Should Not Be Sold”  
([http://cdn2.libsyn.com/philosophybites/Michael\\_Sandel\\_on\\_What\\_Shouldnt\\_Be\\_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540](http://cdn2.libsyn.com/philosophybites/Michael_Sandel_on_What_Shouldnt_Be_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540) )

*Tuesday, October 1:* Elasticity: A Family of Measures of Responsiveness  
READINGS:

- Mankiw, Principles, Chapter 5

*Thursday, October 3:* Managing Price: Government Policies  
READINGS:

- Mankiw, Principles, Chapter 6
- Matt Zwolinski, “Is Price Gouging Immoral?”  
(Link: [http://www.youtube.com/watch?feature=player\\_embedded&v=h9QEkw6\\_O6w](http://www.youtube.com/watch?feature=player_embedded&v=h9QEkw6_O6w) )
- Munger, “They Clapped,” Liberty Fund  
<http://www.econlib.org/library/Columns/y2007/Mungergouging.html>

### Week 6 Virtual Section: Price Controls and Restricting Transactions

([http://www.econtalk.org/archives/2009/10/munger\\_on\\_short.html](http://www.econtalk.org/archives/2009/10/munger_on_short.html))

*Tuesday, October 8:* **Outside Speaker 2--Dr. Arthur Carden** (<http://www.artcarden.com/>)  
Brock School of Business, Samford University, Birmingham, Alabama, USA  
Topic: “Walmart, Value, and Why Trade is Made of Win.”

**NOTE: Reaction Papers will be due on Thursday, October 17. Late papers will not be accepted.**

*Thursday, October 10:* Consumers: Who Is Sovereign? What is Voluntary?



READINGS:

- **Mankiw Textbook**, Chapter 7
- **Munger, MC.** “Evolutionary Exchange and the Creation of Wealth,” Wealth Creation: Ethical & Economic Perspectives, David Schmitz (ed.) Cognella Academic Publishing. (Sakai)

**Week 7 Virtual Section: No section this week, work on your reaction papers**

*Tuesday, October 15: NO CLASS -- FALL BREAK!*

*Thursday, October 17: Taxation and Rent-Seeking*

**NOTE: Second reaction paper due**

READINGS:

- **Mankiw Textbook**, Chapter 8
- **Marotta, DJ.** “What is Rent-Seeking?” Forbes. (LINK: <http://www.forbes.com/sites/davidmarotta/2013/02/24/what-is-rent-seeking-behavior/> )
- **Munger, MC** “Rent Seek and You Will Find,” Liberty Fund, (LINK: <http://www.econlib.org/library/Columns/y2006/Mungerrentseeking.html> )
- **Video 1:** Giving Away Money Costs More Than You Think (LINK: [http://youtu.be/XwBP\\_pqkGJA](http://youtu.be/XwBP_pqkGJA) )

**Week 8 Virtual Section: Public rent-seeking, Private rent-seeking, and buses in Santiago de Chile**

[http://www.econtalk.org/archives/2010/08/munger\\_on\\_priva.html](http://www.econtalk.org/archives/2010/08/munger_on_priva.html)

*Tuesday, October 22: International Trade*

READINGS:

- **Mankiw Textbook**, Chapter 9
- **Munger, MC** “Market Makers or Parasites?” Liberty Fund <http://www.econlib.org/library/Columns/y2009/Mungermiddlemen.html>
- **Video 1:** Global Economics, Global Exchange <http://www.youtube.com/watch?v=xRJZWfqWcs0>

*Thursday, October 24: Review for Midterm (VERY IMPORTANT!)*

**Week 9 Virtual Section: No section this week, study for midterm**

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*Tuesday, October 29: MIDTERM: If you cannot make this date, let me know immediately!*

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*Thursday, October 31: Externalities, Public Goods and Common Pool Resources*

READINGS:

- **Mankiw Textbook** Chapters 10-11
- **Hardin, G.** “The Tragedy of the Commons,” (Sakai)
- **Munger, MC.** “Orange Blossom Special.” (LINK: <http://www.econlib.org/library/Columns/y2008/Mungerbees.html> )

- **Video 1:** “When Is A Potato Chip Not Just A Potato Chip?” (LINK: <http://youtu.be/ljrBEdg-QU4>)

**Week 10 Virtual Section: Is National Public Radio a Public Good? (Planet Money)**

(<http://www.npr.org/blogs/money/2011/03/28/134863998/the-friday-podcast-economists-on-federal-funding-for-npr>)

*Tuesday, November 5:* Costs of Production and Competitive Firms

READINGS:

- **Mankiw Textbook**, Chapters 12-13

*Thursday, November 7:* Monopoly

READINGS:

- **Mankiw Textbook**, Chapter 14

**Week 11 Virtual Section:** Richard Epstein, Univ. of Chicago. Innovations: Do Drug Patents Stifle Progress? (LINK: [http://www.econtalk.org/archives/2007/02/richard\\_epstein.html](http://www.econtalk.org/archives/2007/02/richard_epstein.html) )

*Tuesday, November 12:* Market Failure and Government Failure

READINGS:

- **Keech, W and Munger MC**, “The Anatomy of Government Failure,” Public Choice (Sakai)
- **Howard, Philip N.** “Let’s Nationalize Facebook!” Slate (LINK: [http://www.slate.com/articles/technology/future\\_tense/2012/08/facebook\\_should\\_be\\_nationalized\\_to\\_protect\\_user\\_rights\\_.html](http://www.slate.com/articles/technology/future_tense/2012/08/facebook_should_be_nationalized_to_protect_user_rights_.html) )
- **Nabor, A.** “Market Failures and Government Policy.” (LINK: <http://youtu.be/DGujnXPz4nY> )

*Thursday, November 14:* Pirates! And Gangs...

READINGS:

- **Skarbek, D.** 2011. “Governance and Prison Gangs.” American Political Science Review. (Sakai)
- **Leeson, P.** The Invisible Hook, Chapters 1-4.

**Week 12 Virtual Section: Peter Leeson and the Economics of Piracy**

[http://www.econtalk.org/archives/2009/05/leeson\\_on\\_pirat.html](http://www.econtalk.org/archives/2009/05/leeson_on_pirat.html)

*Tuesday, November 19:* More Pirates....

READINGS:

- **Leeson, P.** The Invisible Hook, Chapters 5-8.

*Thursday, November 21:* **Outside Speaker 3: Dr. Virgil Storr** (<http://virgilstorr.org/>)

Mercatus Center, George Mason University, USA.

Topic: Marginality, Markets, and the Ethic of Enterprise

**NOTE: Reaction Papers will be due on Thursday, December 5. Late papers will not be accepted.**

READINGS:

- Storr, V. “Subalternity and Entrepreneurship: Tales of marginalized but enterprising characters, oppressive settings and haunting plots” (with Bridget Butkevich), *International Journal of Entrepreneurship and Innovation*, 8 (4) 2007.
- Storr, V. “Weber’s Spirit of Capitalism and the Bahamas’ Junkanoo Ethic,” *Review of Austrian Economics*, 19 (4) 2006.



**Week 13 Virtual Section: G. A. Cohen, “A Critique of Capitalism.”**

(LINK: <http://thesocietypages.org/socimages/2011/12/26/a-critique-of-capitalism-by-g-a-cohen/> )

*Tuesday, November 26: Growth and Finance*

**READINGS:**

- Mankiw, Principles, Chapters 17-19

*Thursday, November 28: NO CLASS! THANKSGIVING BREAK*

**Week 14 Virtual Section: NONE. Work on your paper, and have a good break.**

*Tuesday, December 3: Money*

**READINGS:**

- **Mankiw Textbook**, Chapters 21-22
- The Importance of the Dollar as World Currency (Podcast with Barry Eichengreen) ([http://www.econtalk.org/archives/2011/06/eichengreen\\_on.html](http://www.econtalk.org/archives/2011/06/eichengreen_on.html))

*Thursday, December 5: Fiscal Policy and Stabilization*

**1. Reaction Paper #3 Due, Beginning of Class**

- **Mankiw Textbook**, Chapters 23-24

**FINAL EXAM (SCHEDULED BY REGISTRAR)**

**Thursday, December 12: 2:00 to 5:00 pm**

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**Course Schedule At A Glance:**

**I. Midterm and Final Dates**

Midterm: Tuesday October 29, Normal Class Time and Room

Final: December 12, 2-5 pm (Make-up on December 10, 2-5 pm)

**II. Outside Speaker Schedule and Reaction Paper Due Dates**

*Tuesday, September 10: Outside Speaker 1--Dr. Emanuel-Mihail Socaciu*

Department of Philosophy, Research Center for Applied Ethics, University of Bucharest, Romania. Topic: “How Networking, Barter and the Black Market Helped Us Survive.”

**Reaction Papers due on Thursday, September 19.**

*Tuesday, October 8: Outside Speaker 2--Dr. Arthur Carden*

Brock School of Business, Samford University, Birmingham, Alabama, USA

Topic: “Walmart, Value, and Why Trade is Made of Win.” **Reaction Papers due on Thursday, October 17.**

*Thursday, November 21: Outside Speaker 3: Dr. Virgil Storr*

Mercatus Center, George Mason University, USA. Topic: Marginality, Markets, and the Ethic of Enterprise. **Reaction Papers due on Thursday, December 5.**

### III. Podcast and Quiz Schedule

*Note: Each virtual section is “scheduled” on a Friday. But in fact you can listen to it whenever you want; it’s just that sections were traditionally on Fridays, and so we use that to structure the schedule. The date is given so that you know that the quiz will be sent out on the following Monday morning. You must have listened to it the podcast or watched the video by then!*

**Week 1 Virtual Section (Friday, August 30):** “The Travels of a T-Shirt in the Global Economy,” Dr. Pietra Rivoli, (Link: <http://www.youtube.com/watch?v=9yYQqKxz8Tg>)

**Week 2 Virtual Section (Friday September 6)**

- (a) Dr. Anthony Kenny, Oxford University: “The Ethics of Aquinas.”  
(<http://cdn2.libsyn.com/philosophybites/KennyAquinas.mp3?nvb=20080518092115&nva=20080519092115&t=05b4de85c22beb6e47bdd> )
- (b) Dr. Michael Sandel, Harvard University: “On What Should Not Be Sold”  
([http://cdn2.libsyn.com/philosophybites/Michael\\_Sandel\\_on\\_What\\_Shouldnt\\_Be\\_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540](http://cdn2.libsyn.com/philosophybites/Michael_Sandel_on_What_Shouldnt_Be_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540) )

**Week 3 Virtual Section (Friday September 13)** (no assignment, work on evaluation paper on Dr. Socaciu)

**Week 4 Virtual Section (Friday September 20)** Tim Draper—Calling All Entrepreneurial Heroes!  
(LINK: <http://soundcloud.com/ecorner/tim-draper-calling-all>)

**Week 5 Virtual Section (Friday September 27):** Ethics and Prices

- (a) Dr. Anthony Kenny, Oxford University: “The Ethics of Aquinas.”  
(<http://cdn2.libsyn.com/philosophybites/KennyAquinas.mp3?nvb=20080518092115&nva=20080519092115&t=05b4de85c22beb6e47bdd> )
- (b) Dr. Michael Sandel, Harvard University: “On What Should Not Be Sold”  
([http://cdn2.libsyn.com/philosophybites/Michael\\_Sandel\\_on\\_What\\_Shouldnt\\_Be\\_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540](http://cdn2.libsyn.com/philosophybites/Michael_Sandel_on_What_Shouldnt_Be_Sold.mp3?nvb=20090528233546&nva=20090529234546&t=023e6ebe681e5a5d14540) )

**Week 6 Virtual Section (Friday, October 4):** Price Controls and Restricting Transactions  
([http://www.econtalk.org/archives/2009/10/munger\\_on\\_short.html](http://www.econtalk.org/archives/2009/10/munger_on_short.html))

**Week 7 Virtual Section (Friday, October 11):** No section this week, work on your reaction papers

**Week 8 Virtual Section: (Friday, October 18):** Public rent-seeking, Private rent-seeking, and buses in Santiago de Chile (LINK: [http://www.econtalk.org/archives/2010/08/munger\\_on\\_privat.html](http://www.econtalk.org/archives/2010/08/munger_on_privat.html))

**Week 9 Virtual Section: (Friday, October 25):** No section this week, study for midterm

**Week 10 Virtual Section: (Friday, November 1):** Is National Public Radio a Public Good? (Planet Money) (LINK: <http://www.npr.org/blogs/money/2011/03/28/134863998/the-friday-podcast-economists-on-federal-funding-for-npr>)

**Week 11 Virtual Section: (Friday, November 8):** Richard Epstein, Univ. of Chicago. Innovations: Do Drug Patents Stifle Progress? (LINK: [http://www.econtalk.org/archives/2007/02/richard\\_epstein.html](http://www.econtalk.org/archives/2007/02/richard_epstein.html) )

**Week 12 Virtual Section: (Friday, November 15):** Peter Leeson and the Economics of Piracy (LINK: [http://www.econtalk.org/archives/2009/05/leeson\\_on\\_pirat.html](http://www.econtalk.org/archives/2009/05/leeson_on_pirat.html) )

**Week 13 Virtual Section: (Friday, November 22):** G. A. Cohen, “A Critique of Capitalism.” (LINK: <http://thesocietypages.org/socimages/2011/12/26/a-critique-of-capitalism-by-g-a-cohen/> )

**Week 14 Virtual Section: (Friday, November 29):** NONE. Work on your paper, and have a good break.

**Week 15 Virtual Section: (Friday, December 6):** Niall Ferguson on Money: “From Bullion to Bubbles” (LINK: <http://video.pbs.org/video/1170821435> )

[\(Back to top...\)](#)

[\(Back to detailed Schedule and Assignments\)](#)