Course Syllabus
Contemporary Economic Thought

Internet course: Econ 4560-410

Spring Semester, 2016
3.0 Credit Hours

Instructor: John Komlos
E-mail: John.Komlos@gmail.com

Office Hours: As this is a fully online class, the standard means for communicating with the instructor is via course email throughout the semester.

Course Overview:

We shall discuss controversial topics relevant to modern economics from an interdisciplinary perspective and explore the role of psychology, sociology and political science in economic theory and policy, topics that are usually not included in Principles of Economics courses. The course offers a wide perspective on the psychological foundations of economic activity by introducing the students to the new field of behavioural economics and behavioural finance. We enrich the standard neo-classical model by studying such concepts as bounded rationality and satisficing. We explore the main outlines of decision making under uncertainty. Other topics discussed include research on measuring happiness as an alternative welfare indicator, the problem of moral hazard in the bailouts, the principal-agent problem in industrial organisation, adverse selection in insurance markets, opportunistic behaviour in consumer theory, the new trade theory as it relates to our current account deficits, transaction cost economics, oligopoly, monopolistic competition and Keynesian macroeconomics vs monetarist approaches. The course does not involve mathematics and is not meant to be a substitute for intermediate level economics courses. Rather, the course covers topics that are usually not covered in principles courses but does so at the level of sophistication of a usual principles course.

Pre-Requisites/Co-Requisites:
There are no course pre-requisites to enrolling in this course.
Required Texts (and Related Materials):

- Textbook: John Komlos, *What Every Economics Student Needs to Know and Doesn’t Get in the Usual Principles Text*. (Routledge 2014). Can be bought used on Amazon at a reasonable price
- See website for list of assignments

Course Objectives:

The course should help students approach contemporary problems and economic policy with an open mind and widen their economic perspectives. In brief, the course should enable the students to gain a more thorough understanding of the global economy in which we live and work. The primary aim of the course is not to concentrate on facts, theorems, or numbers but rather to see the BIG picture in an integrative and dual-disciplinary framework.

Fogelman College: Learning Outcomes for Your Degree

This course is designed to help you to meet the overall learning objectives for the BBA degree offered by the Fogelman College. You should take the time to become familiar with the overall learning objectives as a student in the BBA program:

- [http://www.fcbeassessment.net/LearningOutcomes/BBADegreeLearningOutcomes.pdf](http://www.fcbeassessment.net/LearningOutcomes/BBADegreeLearningOutcomes.pdf)

Course Methodology

This is an online course and much of the learning will be self-managed and self-paced. This has the benefit of accommodating each student's unique schedule and learning style. Everything will be done fully online and asynchronously (meaning the class will not meet at specific times).

The course proceeds as follows: The students study the chapters in the text. Thereafter students will take weekly quizzes before proceeding to the following week’s chapter and assignments. The quizzes consist of about 15-20 multiple choice questions. Some chapters have two quizzes, so that there are in total 18 quizzes. The final grade will be the average of the weekly quiz grades. There will be no other examinations. The extra credit material is not be included on the quizzes.

Grading and Evaluation Criteria

Final Course Grades

Your course grade will be the average of your quiz grades

Final course grades are earned according to the following table:

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<tr>
<th>Point Range</th>
<th>Assigned Grade</th>
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<tr>
<td>90-100 Points</td>
<td>A</td>
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Course Policies

E-MAIL:
All students are required to maintain and access their University of Memphis (@memphis.edu) email account. You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

Attendance:
Since this is an online class taught asynchronously, there are no scheduled meeting times. Thus, formal attendance will not be taken. However, you are expected to stay active and engaged throughout the academic term and keep up with the schedule of activities. Your full engagement in the class begins on the first day of the semester and should be maintained until the last assignment is submitted. For students receiving federal student loans, any lack of engagement in the course may be treated as non-attendance and potentially impact access to student loans in the future.

Adding / Dropping:
If you have questions about adding or dropping classes, please refer to this page on the Registrar’s website.

Academic Integrity:
The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that using a “Solutions Manual” has occurred, he/she may take steps as described on the campus’ Office of Student Conduct website. If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the Fogelman College’s Website on Academic Integrity.

Participation:
To be successful in this course as a student, you must stay active and involved throughout the entire semester. Students are expected participate in all interactive aspects of the course and do the quizzes in a timely manner. You should also check into the course frequently for announcements (usually on the course home page). You should plan on logging into the course at least three times each week.

Classroom or Online Behavior:
All participants in the course should be considerate of the other course participants and treat them (as well as their opinions) with respect. The class will operate under the assumption that any and all feedback offered is positive in nature and that the intentions of the person(s) providing feedback are strictly honorable. Insensitivity in this area will not be tolerated. If you have any questions about online communication, you should review the Fogelman College's Netiquette website.

Week 1. Read Ch. 1 & take Quiz 1

Interesting visualizations of inequality:

http://thewireless.co.nz/articles/the-pencilsword-inequality-tower
http://thewireless.co.nz/articles/the-pencilsword-on-aplate?nl=nickkristof&em_pos=large&emc=edit_nk_20150604

Week 2. Markets are neither Omniscient nor Omnipotent, they are human creations Read Ch. 2 & take Quiz 2

Read: http://www.pbs.org/newshour/author/john-komlos/

LaToya Ruby Frazier: A visual history of inequality in industrial America
https://www.youtube.com/watch?v=4lw6r5lqxxE
https://www.youtube.com/watch?v=O7-sB3juDJU

Whoever oppresses the poor shows contempt for their Maker, but whoever is kind to the needy honors God. — Proverbs 14:31

Week 3. Read Ch. 3 & take Quiz 3

Watch: Joseph Stiglitz interview: “The Future of Inequality,”

Watch: Stress and addiction: http://youtu.be/ao8L-0nSYzg
Watch: Fight For $15 - Marine Corps Veteran https://youtu.be/P_OsuGL3ouQ

Raj Chetty on racial inequality http://www.pbs.org/newshour/bb/disadvantaged-neighborhoods-amplify-racial-inequality/

Week 4. Read Ch. 4 & take Quiz 4a Psychology: the economics of bounded rationality.

**Watch:** Nobel Prize Lecture, December 8, 2002. Daniel Kahneman, Maps of Bounded Rationality: A Perspective on intuitive Judgment and choice.

**Extra Credit: Watch Dan Ariely:**

Take Quiz 4 b

Week 5. Read Ch. 5 & take Quiz 5a and Quiz 5b

**Watch:** Daniel Kahneman on Well-being:

**Extra credit: Watch:** Joseph Stiglitz: Problems with GDP as an economic indicator
[http://www.youtube.com/watch?v=QUaJMNtW6GA&feature=channel](http://www.youtube.com/watch?v=QUaJMNtW6GA&feature=channel)

Week 6. Read Ch. 6 & take Quiz 6

**On the importance of good teachers:**
[http://www.rajchetty.com/chettyfiles/value_added.htm](http://www.rajchetty.com/chettyfiles/value_added.htm)

Week 7. Compensation in oligopolistic industries, moral hazard and the principal-agent problem
Read Ch. 7 & take Quiz 7

“Blessed are the meek, for they shall inherit the earth.”
Matthew 5:5

Week 8. The Vanishing Middle Class and the American dream

Read Ch. 8 & take Quiz 8

[Proverbs 22:7] The rich rule over the poor,

Watch: Robert Reich on Inequality: https://www.youtube.com/watch?v=q-rpkZe2OEo

Week 9. Read Ch. 9 & take Quiz 9

[Proverbs 22:7] The rich rule over the poor,

Week 10. Read Ch. 10 & take Quiz 10

Watch: The One Percent: https://www.youtube.com/watch?v=HmlX3fLQrEc

Week 11. Read Ch. 11 & take Quiz 11

“I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character.” Martin Luther King,Jr.

Week 12. Read Ch. 12 & take Quiz 12

Week 13. Open Economy Macroeconomics

Read Ch. 13 & take Quiz 13


“Injustice anywhere is a threat to justice everywhere.” Martin Luther King, Jr.

Week 14. Read Ch. 14 & take Quiz 14


Week 15. Read Ch. 15 & 16 & take Quiz 15


Week 16. Read Ch. 16 & take Quiz 16

“There is enough in the world for man's need but not for man's greed.“

Mahatma Gandhi


**Week 12. The (Mis)pricing of Risk**  “Derivatives are financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal.” Warren Buffett, Second richest man in America in 2002.

**Watch:** Watch Lecture and do the quiz

**Watch:** Brooksley Born on Frontline: The Warning  
http://www.pbs.org/wgbh/pages/frontline/warning/view/

**Watch:** Nassim Taleb on Black Swan  
http://fora.tv/2009/08/18/David_Cameron_in_Conversation_with_Nassim_Taleb

**Watch:** Joseph Stiglitz: Problems with GDP as an economic indicator:  
http://www.youtube.com/watch?v=QUajMNTw6GA&feature=channel


**Extra:** Nouriel Roubini (Dr. Doom):  http://www.youtube.com/watch?v=51SxmcAJJiw