

# ECONOMICS

## Overview and Contact Information

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.

## Contact Information

**James Hartley, Chair**  
**Dawn Larder, Academic Department Coordinator**

115 Skinner Hall  
 413-538-2432  
<https://www.mtholyoke.edu/acad/economics>

## Faculty

**This area of study is administered by the Department of Economics:**  
 Satyananda Gabriel, Professor of Economics

James Hartley, Professor of Economics

Eva Paus, Professor of Economics, Teaching Spring Only

Michael Robinson, Professor of Economics

Sarah Adelman, Associate Professor of Economics

Katherine Schmeiser, Associate Professor of Economics, On Leave 2017-2018

Steven Schmeiser, Associate Professor of Economics, Teaching Fall Only

Lucas Wilson, Associate Professor of Africana Studies and Economics, Teaching Fall Only

Theodore Gilliland, Assistant Professor of Economics

M. Gretchen Lay, Assistant Professor of Economics, Teaching Spring Only

Johannes Norling, Assistant Professor of Economics

Bryce Casavant, Visiting Lecturer in Economics

## Requirements for the Major

A minimum of 32 credits:

### Economics Core Courses:

ECON-211	Macroeconomic Theory	4
ECON-212	Microeconomic Theory	4
ECON-220	Introduction to Econometrics	4
or ECON-320	Econometrics	

### Economics Electives:

Three 300-level courses (two of these must be taken at Mount Holyoke)	12
8 additional credits at either the 200 or 300 level	8
<b>Total Credits</b>	<b>32</b>

## Additional Specifications

- Students typically begin their study of economics with Introductory Economics (ECON-110), which is the prerequisite for intermediate level courses. There are a number of 200-level courses that can be taken as a first course in economics, though these courses are not open to first-semester students without previous economics experience.
- 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 corporate governance, economic development, economic history, economics of corporate finance, environmental economics, health economics, industrial organization, international economics, macroeconomic advanced game theory, Marxian economic theory, and public finance.

## Requirements for the Minor

A minimum of 16 credits:

12 credits at the 200 level or above	12
4 credits at the 300 level	4
<b>Total Credits</b>	<b>16</b>

## Additional Specifications

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

## Course Advice

### Introductory Courses

Students may begin the study of economics with Introductory Economics (ECON-110). 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

#### ECON-110 Introductory Economics

*Fall and Spring. Credits: 4*

Introduction to economic issues and the tools that economists use to study those issues: supply and demand, decision making by consumers and firms, market failures, economic output and growth, fiscal and monetary policy in relation to unemployment and inflation, and international economics. Topics include both the study of markets and the need for public policy/government action to address market failures.

*Applies to requirement(s): Social Sciences*

*J. Hartley, J. Norling, M. Robinson*

### 200-Level Courses

#### ECON-201 Game Theory

*Fall. Credits: 4*

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.

*Applies to requirement(s): Social Sciences*

*M. Robinson*

*Restrictions: Course limited to sophomores, juniors and seniors*

*Advisory: Not open to first-year students as their first course in Economics.*

#### ECON-207 Special Topics

This 200-level course investigates 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.

#### ECON-207BF Special Topics: 'Behavioral Economics and Finance'

*Spring. Credits: 4*

Empirical research has located serious flaws in the concept of rational economic decision making and efficient markets. The evidence indicates that actual decision makers and markets deviate from expected rational outcomes frequently enough to require rethinking of the way decision makers think and markets behave, including unexpected market crashes and sustained market bubbles. This course is designed to examine new theoretical work that seeks to provide more accurate predictions of market behavior, improved assessments of underlying risk to portfolio holders, and better estimates of the underlying value of securities.

*Applies to requirement(s): Social Sciences*

*S. Gabriel*

*Prereq: Not open to first-year students as their first course in Economics.*

#### ECON-207FM Special Topics: 'Economics in Popular Film'

*Spring. Credits: 4*

An introduction to political economy using a wide range of popular films as the object of analysis. Films are analyzed as representations of real world social relationships, including market behavior. The goal of the course is for students to learn the basic concepts and logic deployed in economic theories, orthodox and heterodox, and the language of contemporary social scientific debates over income distribution, agency, class, market efficiency, externalities, economic incentives, and equity.

See [http://www.mtholyoke.edu/courses/sgabriel/filmcourse\\_2016.html](http://www.mtholyoke.edu/courses/sgabriel/filmcourse_2016.html)

*Applies to requirement(s): Social Sciences*

*S. Gabriel*

*Restrictions: Course limited to sophomores, juniors and seniors*

*Advisory: Not open to first-year students as their first course in economics*

#### ECON-210 Marxian Economic Theory

*Fall. Credits: 4*

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.

*Applies to requirement(s): Social Sciences*

*L. Wilson*

*Restrictions: Course limited to sophomores, juniors and seniors*

*Advisory: Not open to first-year students as their first course in economics.*

#### ECON-211 Macroeconomic Theory

*Fall and Spring. Credits: 4*

Intermediate macroeconomic theory. Analysis of causes of long-run economic growth and short-run business cycles. Study of different 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.

*Applies to requirement(s): Social Sciences*

*J. Hartley, M. Lay*

*Prereq: ECON-110 and MATH-101.*

*Notes: Students who have taken the International Baccalaureate or A-Level exams in economics should consult the department before registering for the course. The department does not recommend taking this as the first course in Economics.*

#### ECON-212 Microeconomic Theory

*Fall and Spring. Credits: 4*

Microeconomic theory explores the foundations of consumer and firm theory as well as their theoretical applications. We examine the assumptions of models, market structures, and explore topics such as game theory and public goods.

*Applies to requirement(s): Social Sciences*

*J. Hartley, S. Schmeiser*

*Prereq: ECON-110 and MATH-101.*

*Notes: Students who have taken the International Baccalaureate or A-Level exams in economics should consult the department before registering for the course. The department does not recommend taking this as the first course in Economics.*

#### ECON-213 Economic Development: A Survey

*Fall and Spring. Credits: 4*

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.

*Applies to requirement(s): Social Sciences; Multicultural Perspectives*

*S. Adelman, S. Gabriel*

*Prereq: ECON-110.*

**ECON-215 Economics of Corporate Finance**

*Fall and Spring. Credits: 4*

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

*Applies to requirement(s): Social Sciences*

*B. Casavant, S. Gabriel*

*Restrictions: Course limited to sophomores, juniors and seniors*

*Prereq: ECON-110.*

**ECON-218 International Economics**

*Not Scheduled for This Year. Credits: 4*

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.

*Applies to requirement(s): Social Sciences*

*The department*

*Prereq: ECON-110.*

**ECON-219 Environmental Economics**

*Fall. Credits: 4*

In this class, we will use the lens of economic analysis to examine how environmental problems arise and what can be done to resolve them. This will include an assessment of relevant environmental policies (e.g., carbon tax & cap-and-trade programs), how these policies function, and what impacts they have on people and the economy. Topics include market failures and externalities, pollution, climate change, management of renewable and nonrenewable resources, sustainability, biodiversity, and others.

*Applies to requirement(s): Social Sciences*

*T. Gilliland*

*Prereq: ECON-110.*

**ECON-220 Introduction to Econometrics**

*Fall and Spring. Credits: 4*

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.

*Applies to requirement(s): Meets No Distribution Requirement*

*T. Gilliland*

*Prereq: ECON-110 and MATH-101. Coreq: ECON-220L.*

*Notes: Not open to students who have taken college-level statistics, including IB courses with a statistics component.*

**ECON-236 Economic History**

*Fall. Credits: 4*

This course provides an overview of important themes in the economic history of the United States and other countries. The goals of this course are to examine reasons for economic growth over time, to use economic analysis to understand history, and to study how history shapes economic institutions today. Topics covered include the Industrial Revolution, slavery, and changes in women's earnings.

*Applies to requirement(s): Social Sciences*

*J. Norling*

*Prereq: ECON-110.*

**ECON-249 Topics in Economics****ECON-270 Accounting**

*Fall. Credits: 4*

The course, while using traditional accounting techniques and methodology, will focus on the needs of external users of financial information. The emphasis is on learning how to read, interpret, and analyze financial information as a tool to guide investment decisions. Concepts rather than procedures are stressed and class time will be largely devoted to problem solutions and case discussions. A basic knowledge of arithmetic (+, -, \*, /) and algebra is suggested.

*Applies to requirement(s): Meets No Distribution Requirement*

*S. Schmeiser*

*Restrictions: Course limited to sophomores, juniors and seniors*

*Advisory: Not open to students who have taken EOS-225.*

**ECON-280 Non-Profit Business Practice**

*Spring. Credits: 4*

This course introduces students to the issues and challenges of leading a non-profit organization. Covered topics include dealing with boards, workers and volunteers and external agencies. We will consider funding and revenue sources as well as cost management. Finally, the course will explore strategic planning and program evaluation.

*Applies to requirement(s): Meets No Distribution Requirement*

*M. Robinson*

**300-Level Seminars****ECON-304 Labor Economics**

*Fall. Credits: 4*

This course examines modern theories of labor markets and reviews empirical evidence in support or contradiction of those theories. Topics include the supply and demand of labor, human capital theory, household and family behavior, worker mobility, union activities, wage inequality, and gender and racial discrimination. The course will also consider current public policy debates of relevance to labor markets, including minimum wages, welfare reform, educational policy, and free trade agreements.

*Applies to requirement(s): Social Sciences*

*M. Robinson*

*Restrictions: This course is open to Juniors and Seniors.*

*Prereq: ECON-212 and ECON-220.*

**ECON-307 Seminar in Industrial Organization**

*Fall. Credits: 4*

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.

*Applies to requirement(s): Meets No Distribution Requirement*

*B. Casavant*

*Restrictions: This course is open to Juniors and Seniors.*

*Prereq: ECON-212.*

**ECON-308 Current Macroeconomic Policy***Spring. Credits: 4*

Advanced macroeconomic theory. Develops and uses the classical model of a closed economy to explore the roles of fiscal and monetary policy in economic growth and macroeconomic stabilization. Draws upon current empirical macroeconomic research that quantifies impact of macroeconomic policy. Focus is on using mathematical models to explain macroeconomic policy.

*Applies to requirement(s): Social Sciences**M. Lay**Restrictions: This course is open to Juniors and Seniors.**Prereq: ECON-211 and MATH-101.***ECON-310 Seminar in Public Economics***Not Scheduled for This Year. Credits: 4*

This course provides an overview of the ways in which government policies on taxation and spending affect outcomes for individuals (e.g., poverty, health, income) and for society (e.g., inequality, social mobility, economic growth). Topics will include the theory of taxation, public goods, and externalities. Students will apply these theories to current policy debates. Possible applications include healthcare, education, TANF, unemployment insurance, and Social Security.

*Applies to requirement(s): Social Sciences**M. Lay**Prereq: ECON-212.***ECON-314 Economic Development in the Age of Contested Globalization***Spring. Credits: 4*

Why have only few developing countries closed the income gap with industrialized countries? How does globalization affect the prospects for economic transformation and human well-being? How does the rise of China impact the development prospects for other latecomers? We study and discuss how orthodox and heterodox approaches answer these and other questions, and we assess proposed policies and their appropriateness in different contexts. Students have many opportunities to apply the knowledge acquired in class: in debates, simulations, quantitative and qualitative research, and discussions of authentic cases with embedded practitioners from international organizations and the private sector.

*Applies to requirement(s): Social Sciences; Multicultural Perspectives**Other Attribute(s): Speaking-Intensive, Writing-Intensive**E. Paus**Restrictions: This course is open to Juniors and Seniors.**Prereq: ECON-213 and either ECON-211 or ECON-218.***ECON-319 Environmental Economics, Ecology and Conservation Policy***Spring. Credits: 4*

Understanding and solving environmental problems requires interdisciplinary perspectives. This course links tools from economics with tools from ecology and environmental sciences to design effective policies for protecting the environment. We will examine topics such as the protection of rare and endangered species, rainforest conservation, climate change and others. We will also study important domestic and international policies related to these topics.

*Applies to requirement(s): Social Sciences**T. Gilliland**Prereq: ECON-212 or ECON-219.***ECON-320 Econometrics***Spring. Credits: 4*

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.

*Applies to requirement(s): Meets No Distribution Requirement**M. Robinson**Restrictions: This course is open to Juniors and Seniors.**Prereq: ECON-211, ECON-212 and ECON-220. Coreq: ECON-320L.***ECON-325 Economics of Health Care and Health Service Organizations***Fall. Credits: 4*

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.

*Applies to requirement(s): Social Sciences**S. Adelman**Prereq: ECON-212 and ECON-220.***ECON-345 Corporate Governance***Fall. Credits: 4*

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.

*Applies to requirement(s): Meets No Distribution Requirement**S. Schmeiser**Restrictions: This course is open to Juniors and Seniors.**Prereq: ECON-211 and ECON-212.***ECON-346 Economic Demography***Spring. Credits: 4*

Demography is the scientific study of human populations, primarily with respect to their size, structure, and development. This course studies a variety demographic topics, including fertility, mortality, population age structure, poverty, and inequality. The course also covers empirical econometric techniques that are helpful for answering demographic questions.

*Applies to requirement(s): Social Sciences**J. Norling**Prereq: ECON-220. Coreq: ECON-346L.***ECON-349 Advanced Topics in Economics****ECON-349BD Advanced Topics in Economics: 'Mathematical Economics for Business Decisions'***Spring. Credits: 4*

This course provides a comprehensive background of the mathematical tools used by economists and applies them to business decisions. A few of the tools that will be utilized in the course are optimization, constrained optimization, and game theory.

*Applies to requirement(s): Social Sciences**B. Casavant**Prereq: ECON-212.*

**ECON-349DT Advanced Topics in Economics: 'Data Science and Economics'***Fall. Credits: 4*

Data Science is a rapidly growing field that uses statistical techniques to gain useful insights from data. This course will cover data visualization for data exploration and modeling and prediction techniques that include classification, shrinkage methods, tree-based methods, and clustering. We will use the techniques learned to look at economic data sets and see what conclusions we can make.

*Applies to requirement(s): Social Sciences**B. Casavant**Prereq: ECON-220.***ECON-349TF Advanced Topics in Economics: 'Theory of the Firm'***Spring. Credits: 4*

Theory of the Firm explores why firms exist, the boundaries of firms, and the organization of firms. Some of the theories that will be looked at are the transaction cost theory, asset specificity, and property rights. We will also explore principal-agent modeling, which looks at how firm owners can incentivize managers to take specific actions.

*Applies to requirement(s): Social Sciences**B. Casavant**Prereq: ECON-212.***Independent Research**

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

A student works individually on her thesis over a two-semester period, first by registering for ECON-395 in the fall and then by finishing with ECON-395 in the spring (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.

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

**ECON-295 Independent Study***Fall and Spring. Credits: 1 - 4**The department**Instructor permission required.***ECON-395 Independent Study***Fall and Spring. Credits: 1 - 8**The department**Instructor permission required.*