
Department of
Economics

Courses of Study:
Minor
Major (B.A.)

Objectives

Majors in economics receive broad yet rigorous training in the core subjects of the discipline: general principles, micro and macroeconomic theory, and statistics. They learn to use skills developed in the core courses to analyze a variety of economic problems, social issues, and economic institutions. These skills are applied and reinforced in four elective courses chosen from a list that includes most of the subfields of interest to economists, e.g., international economics, financial markets, industrial organization, institutional economics, the regulation of economic activity, the public sector, technology, growth, and development.

The department stresses the development and use of analytic and quantitative approaches for analyzing and understanding human choice and economic behavior, the functioning of the economic system, and specific subject areas and economic issues. (As a result we expect that students will develop analytic and quantitative skills in the economics major that are useful, not only for economics, but for other subjects as well.) Theoretical and applied courses are available. Upon completion of the major, students are expected to be familiar with the scholarship associated with a variety of economic subjects; majors learn to read books and articles written for the general economist.

The major in economics provides background for many positions in business or government. A few graduates pursue advanced degrees in economics while others enroll in professional schools of business, law, and other fields. Programs of study can be designed to match the interests of the student (see the list of courses that follows).

Qualified seniors are invited to participate in the department's honors program, which involves research and writing a thesis under the supervision of a member of the faculty. Before the senior year, Brandeis undergraduates can apply for admission as "five-year students" to the Lemberg Master's Program in International Economics and Finance (see Brandeis International Business School section of this *Bulletin*). The department offers a minor in economics; a business minor is also available (see the Program in Business section of this *Bulletin*).

How to Become a Major

The major has a single entry point, ECON 2a (Introduction to Economics). (This course is also an option in the quantitative reasoning component of the General University Requirements.) Most majors begin their study in the first or second year with ECON 2a followed by a second principles course, ECON 8b (The Global Economy). Five core courses are required. The two principles courses are followed by three intermediate theory courses: microeconomic theory, macroeconomic theory, and statistics), plus four electives. It is important to begin the study of economics early because upper-level electives, a requirement for the major, build on intermediate courses and have from three to six prerequisites. Also, some calculus is used in intermediate theory courses.

Faculty

Gary Jefferson, Chair

Technological change, institutional economics, development, industrial organization, and China.

Serkan Bahçeci

Macroeconomic theory and econometrics.

Chad Bown

International economics, economic development, and industrial organization.

Linda Bui

Environmental economics, public finance, applied microeconomics, and industrial organization.

Laarni Bulan

Corporate, firm investment, and real option finance.

Anne Carter

Technological change. Input/output.

Stephen Cecchetti

Advanced macroeconomic theory, monetary economics, and financial economics.

H. Michael Coiner

Economics of higher education, macroeconomics, and international economics.

F. Trener Dolbear

Macroeconomics and public sector.

Can Erbil

Economic development, international trade, and public finance.

Benjamin Gomes-Casseres

International business and international political economy.

Jens Hilscher

Asset pricing, corporate finance, international finance.

Adam Jaffe, Dean of Arts and Sciences

Technological change, economics of regulation, and industrial organization.

Blake LeBaron

Macroeconomics, international finance, and microeconomics.

Hong Li

Time series econometrics, macroeconomics, monetary economics.

Rachel McCulloch

International trade theory, trade policy, macroeconomic coordination, investment and technology transfer.

Nidhiya Menon

Empirical microeconomics, economic development, econometrics, and economic demography and labor.

Carol Osler

International finance, financial markets, open economy, and macroeconomics.

Peter Petri

International trade, development, Japan, and Korea.

Paroma Sanyal

Industrial organization, regulation, and microeconomics.

Rashmi Shankar

Macroeconomics and international finance.

Patricia Tovar

International trade, political economy, development, microeconomics, behavioral economics.

Requirements for the Major

A. ECON 2a (Introduction to Economics) and ECON 8b (The Global Economy). A grade of C or higher is required in these courses.

B. ECON 80a, 82b, and 83a. Students receiving less than a C- for any of these courses must retake the course and earn a C- or better before enrolling in any upper-level elective.

C. Four elective courses in economics, at least two of which must be upper-level. Upper-level electives are courses that have as prerequisites ECON 80a, ECON 82b, or ECON 83a. Note: Not all 100-level courses meet this criterion. In particular ECON 172b and ECON 175a are lower-level electives. Lower-level electives can be any course in economics other than the required courses, except that ECON 98a,b, ECON 99a,b, and BUS 92b do not count as electives for the major. Only one course that does not include ECON 2a as a prerequisite can be accepted as a lower-level elective. Eligible courses include cross-listed courses and certain other courses that contain significant economics content offered by IBS, Heller, and any other department in the social sciences. Any student who intends to offer an economics-oriented course in another department or school toward the economics major should obtain approval of the undergraduate advising head in advance.

D. A passing letter grade must be obtained in each course taken for credit toward the major. (Pass/Fail courses are not allowed.) Students must also achieve a grade point average of at least 2.00 in the major courses; students close to this average should consult the undergraduate advising head before enrolling in economics courses for the senior year.

E. Any exception to the above rules requires department approval by petition.

See the department academic administrator or the undergraduate advising head for a petition; for example, a student must petition to get major credit toward the major for an economics course taken at another university.

Requirements for the Undergraduate Minor

A. ECON 2a (Introduction to Economics) and ECON 8b (The Global Economy) with a grade of C or better.

B. Three additional economics courses of which all but one must include a prerequisite of at least ECON 2a. As with the major, courses offered by IBS, Heller, and other institutions may be substituted if their content is primarily economics, but such substitution requires the permission of the undergraduate advising head.

C. Students undertaking the economics minor and the business minor are subject to additional restrictions to minimize the overlap in content. Consult your advisor for approval of such combined programs.

D. A grade point average of 2.00 or higher is required in courses offered for the minor.

Special Notes Relating to Undergraduates

Business Minor

Students interested in pursuing a formal program in business should consult the description given in the business program section of this *Bulletin*. Students who originally enrolled in the program in international business prior to Fall 2003 may complete either the business minor or the program in international business.

Mathematics

The required intermediate theory courses (80a, 82b, 83a) assume a knowledge of calculus at the level taught in MATH 10a (Techniques of Calculus). (Students with weak mathematics background should begin with MATH 5a [Precalculus Mathematics].) Every student taking Economics 80a must have either: a) completed MATH 10a with a grade of C- or better, or b) scored at least 4 on the AP Mathematics AB test, or at least 3 on the AP Mathematics BC test, or c) passed a placement exam which the economics department administers at the beginning of each semester. For some more advanced courses, additional calculus and linear algebra provide a useful background. Students unsure of the adequacy of their mathematics preparation should consult their advisor.

Academic Advisor and Selection of Courses

Students are strongly advised to choose courses with well-considered educational objectives in mind. Course offerings in economics can be grouped roughly into four categories (see below). Some students will wish to take at least one course from each of the four groups and thereby obtain a broad exposure to the discipline. Others will find a more narrow focus with in-depth study in only a few groups more appropriate. Each major should discuss educational objectives and course selections and sequencing with his/her academic advisor.

ECON Course Offering Groups

1. Core Analytical Courses

2a	Introduction to Economics
8b	The Global Economy
64a	East Asia Economics
80a	Microeconomic Theory
82b	Macroeconomic Theory
83a	Statistics for Economic Analysis

2. International and Comparative

26a	Latin America's Economy
60b	The Economics of International Trade Disputes
125a	Comparative Institutional Economics
141b	Technology and the Global Economy
160a	International Trade Theory
161a	International Finance
175a	Introduction to the Economics of Development*
176a	The Household, Health, and Hunger in Developing Countries
178b	Monetary and Fiscal Policy

3. The U.S. Economy: Analysis, Institutions, Policy

56b	Social Priorities and the Market
57a	Environmental Economics
59b	The Economics of Education
71b	Introduction to Finance
74b	Law and Economics
76b	Labor Economics
77a	Introduction to Regulation and Public Policy
129b	Economics for the New Economy
134b	Public Sector Economics
135a	Industrial Organization
171a	Financial Economics
172b	Money and Banking
174a	Corporate Finance
177b	Economic Regulation and Deregulation
181b	Game Theory and Economic Applications

4. Analytical Methods

62a	Introduction to Game Theory
162a	Game Theory
184b	Econometrics

Several first-year Brandeis International Business School courses may be appropriate analytical electives for advanced undergraduates. These include courses in the Ph.D. Program in International Economics. See your advisor or the undergraduate advising head.

*This course is considered a lower-level elective.

Courses of Instruction

(1-99) Primarily for Undergraduate Students

ECON 2a Introduction to Economics

[ss qr]

Common final exam.

A one-semester introduction to economic analysis with policy applications. The economist's approach to social analysis is systematically elaborated. Usually offered every semester in multiple sections.
Staff

ECON 8b The Global Economy

[ss wi]

Prerequisite: ECON 2a. Common final exam.

The basic tools and models of economic analysis are applied to a wide range of topics in micro, macro, and international economics. Usually offered every semester in multiple sections.
Staff

ECON 26a Latin America's Economy

[nw ss]

Prerequisite: ECON 2a. This course may not be repeated for credit by students who have taken ECON 25a in previous years. Introductory survey of economic, financial, and institutional problems, distortions, and reforms in Latin America. Topics include the role of government, privatization, liberalization of trade and capital flows, pension funds reforms, inflation, stabilization, and international debt crisis. Current and future trends will be discussed. Usually offered every second year.
Staff

ECON 56b Social Priorities and the Market

[ss]

Prerequisite: ECON 2a.

Examines the strengths and limitations of free markets in promoting major social goals: efficiency, equity, and technological advance. Usually offered every year.
Ms. Carter

ECON 57a Environmental Economics

[ss]

Prerequisite: ECON 2a.

This course will investigate the theoretical and policy problems posed by the use of renewable and nonrenewable resources. Theoretical topics include the optimal pricing of resources, the optimal use of standards and taxes to correct pollution problems under uncertainty, and the measuring of costs and benefits. Usually offered every second year.
Mr. Jaffe

ECON 59b The Economics of Education

[ss]

Prerequisite: ECON 2a.

An introduction to economic analysis of the education sector. Topics include the concept of human capital, private and social return to investment in education, cost-benefit analysis of special educational programs, and issues in the financing of education. Usually offered every second year.
Mr. Coiner

ECON 60b The Economics of International Trade Disputes

[ss]

Prerequisite: ECON 8b.

Analyzes economic issues involved in a set of recent international trade disputes at the frontier of disagreement and conflict in international economic relations from the perspective of directly and indirectly affected participants such as firms, workers, consumers, policy makers, and NGOs. Usually offered every year.
Mr. Bown

ECON 62a Introduction to Game Theory

[ss]

Prerequisite: ECON 2a.

An introduction to the analysis of multiperson strategic decision making. Introduces the basic concepts of game theory, under both complete information and uncertainty, and examines its applications to several fields, including economics, politics, law, biology, and computer science. Usually offered every year.
Mr. Bahceci

ECON 64a East Asia's Economies

[ss]

Prerequisites: ECON 2a.

Examines the post-war economic performance of the East Asian countries, especially Japan, China, Korea, and Taiwan. Emphasizes the public policies, institutional features, and historical conditions that accounted for the performance of these four economies. Also explores differences between the East Asian models of economic development and those of the Western economies, particularly the United States. Usually offered every second year.
Ms. Saiki

ECON 71a Introduction to Finance

[ss]

Prerequisite: ECON 2a. This course may not be repeated for credit by students who have taken ECON 171a in previous years. Designed to give students an overview of the issues involved in modern finance. Topics include random walks, bubbles, derivative markets, online trading, hedge funds, foreign exchange markets, and recent international crises. Usually offered every year.
Mr. LeBaron

ECON 74b Law and Economics

[ss]

Prerequisite: ECON 2a.

A study of economic foundations of American law in selected areas of interest. Topics include the role of property rights and liability rules in the control of externalities, controlling the cost of accidents, the control of criminal behavior, product failure and damage, medical malpractice. Usually offered every second year.
Staff

ECON 76b Labor Economics

[ss]

Prerequisite: ECON 2a.

Topics include: Analysis of competitive and less-than-competitive markets. Rationale for alternate methods of paying workers (e.g., hourly wages, piece rates, bonuses). Sources of wage differentials among jobs and workers. The U.S. labor movement, the process of collective bargaining, and the economic effects of unions. Effects of government interventions in the labor market, such as the minimum wage and occupational safety regulation. Extent and effects of discrimination in the labor market. Inequality in the distribution of wages.
Mr. Coiner

ECON 77a Introduction to Regulation and Public Policy

[ss]

Prerequisite: ECON 2a. This course may not be repeated for credit by students who have taken ECON 177b in previous years. Economic rationale behind government intervention in markets. Theoretical, practical, and historical aspects of regulation. Recent trends toward deregulation or regulatory reform. Specific case studies such as telecommunications, electric utilities, environment, transportation, drugs, and workplace safety. Usually offered every second year.
Ms. Sanyal

ECON 80a Microeconomic Theory

[ss]

Prerequisite: ECON 8b. Intermediate theory courses (ECON 80a, 82b, 83a) assume a knowledge of calculus at the level taught in MATH 10a.

Analysis of the behavior of economic units within a market economy. Emphasis upon individuals' decisions as demanders of goods and suppliers of resources, and firms' decisions as suppliers of goods and demanders of resources under various market structures. Usually offered every semester.

Staff

ECON 82b Macroeconomic Theory

[ss]

Prerequisites: ECON 8b. ECON 80a and 83a would be helpful.

Models of the determination of economic aggregates—such as national income, consumption, investment, government spending, exports, imports, and international capital flows—and economy-wide variables—such as the interest rate, the exchange rate, the price level and inflation, and the unemployment rate. The influence of fiscal and monetary policies on these aggregates and variables is examined. Usually offered every semester.

Staff

ECON 83a Statistics for Economic Analysis

[ss qr]

Prerequisite: ECON 2a.

A first course in statistical inference. Topics include descriptive statistics, probability, normal and binomial distributions, sampling distributions, point and interval estimation, properties of estimators, hypothesis testing, regression, and analysis of variance. Usually offered every semester.

Staff

ECON 98a Independent Study

Signature of the instructor required. Does not meet the requirement for the major in economics.

Normally available for a student who has taken a course and wishes to pursue further reading or research in that field or study a subject not listed among the department course offerings. Usually offered every year.

Staff

ECON 98b Independent Study

Signature of the instructor required. Does not meet the requirement for the major in economics.

See ECON 98a for course description. Usually offered every year.

Staff

ECON 99a Senior Research

Signature of the instructor required. Does not meet the requirement for the major in economics.

A senior whose grade point average in economics courses is 3.50 or above and has completed ECON 184b or equivalent, may petition to be admitted to the Senior Honors Program and to enroll in this course.

Usually offered every year.

Staff

ECON 99b Senior Thesis

Prerequisite: Satisfactory completion of ECON 99a. Signature of the instructor required. Does not meet the requirement for the major in economics.

Normally seniors who wish to complete a Senior Honors Thesis enroll in this course.

Usually offered every year.

Staff

(100-199) For Both Undergraduate and Graduate Students

ECON 125a Comparative Institutional Economics

[ss]

Prerequisite: ECON 80a. This course may not be repeated for credit by students who have taken ECON 225a in previous years.

Examines the role of institutions in shaping economic behavior and performance, particularly in developing and transition economies. Topics include problems and models of transition, enterprise reform, market failure in key economic systems, and constitutional economics. Usually offered every second year.

Mr. Jefferson

ECON 129a Economics for the New Economy

[ss]

Prerequisites: ECON 80a and ECON 82b.

A study of the economic issues particular to the "new economy" within the framework of economic theory. Topics include causes and consequences of increasing returns, productivity and economic growth, skill-based technological progress and the wage gap, network economics, and human capital. The objective is to enable a student to use economic theory to understand these issues. Usually offered every year.

Mr. Subramanian

ECON 134b Public Sector Economics

[ss]

Prerequisite: ECON 80a.

The effect of tax and expenditure policies on economic efficiency and equity. Topics include externalities and public goods, public choice, cost-benefit analysis, income redistribution, social security, and health care. Also discussion of U.S. tax system, public debt, and state and local finance. Usually offered every year.

Mr. Dolbear

ECON 135a Industrial Organization

[ss qr]

Prerequisite: ECON 80a.

Microeconomic analysis of firm behavior under alternative market structures and implications for market outcomes. Topics include strategic interaction, entry and exit, collusion, predation, price discrimination, product differentiation, vertical relations, imperfect information, advertising, and patents and innovation. Usually offered every year.

Ms. Sanyal

ECON 141b Technology and the Global Economy

[ss]

Prerequisite: ECON 80a.

Technological change as the central focus of modern economies. Topics include changing industrial and international specialization, economics of research and development, innovation, diffusion and technology transfer, appropriability, patents, information markets, productivity, intersectoral effects, and global competitiveness. Usually offered every year.

Mr. Jefferson

ECON 160a International Trade Theory

[ss]

Prerequisite: ECON 80a.

Causes and consequences of international trade and factor movements. Topics include determinants of trade, effects on welfare and income distribution, trade and growth, protection, foreign investment, immigration, and preferential trading. Usually offered every year.

Staff

ECON 161a International Finance

[ss]

Prerequisites: ECON 80a and 82b.

Applications of international economic theory—regarding trade, the balance of payments, investments, and exchange rates—to the management of import/export firms and multinational corporations.

Usually offered every year.

Staff

ECON 170a Mathematics of Economics and Finance

[ss]

Prerequisite: ECON 2a and ECON 8b.

An introduction to linear algebra and calculus with the stress on their applications in economics and finance. Topics covered include sequences and limits, derivatives, constrained and unconstrained optimization, matrix algebra and systems of linear equations, techniques of integration, and first-order differential equations.

Staff

ECON 171a Financial Economics

[ss]

Prerequisites: ECON 80a and 83a. May not be taken for credit by students who have previously taken IEF 205a.

An introduction to financial economics. Topics include the selection of assets, portfolio choice under uncertainty, equilibrium asset pricing models, the efficient markets hypothesis, futures, and options markets. Usually offered every year. Mr. Subramanian

ECON 172b Money and Banking

[ss]

Prerequisite: ECON 2a and ECON 82b.

Considers the operation of banks and other financial institutions in a money- and capital-market setting. The role of central banks in the control of the quantity of money is examined in relation to the performance of the national economy. Supervision of banks, insurance of deposits, reform of banking legislation, as well as the internationalization of banking are also studied. Usually offered every second year. Mr. Cecchetti

ECON 174a Corporate Finance

[ss]

Prerequisite: ECON 80a. Corequisite: ECON 171a. May not be taken for credit by students who are currently or have previously taken FIN 202a (formerly IEF 210b).

An introductory course in corporate finance and financial management. Covers the theory and application of capital budgeting techniques and capital structure choice of firms. Usually offered every year. Ms. Bulan

ECON 175a Introduction to the Economics of Development

[ss]

Prerequisite: ECON 2a or permission of the instructor. May not be repeated for credit by students who are currently or have previously taken ECON 75a. Does not count toward the upper-level elective requirement for the major in economics.

An introduction to various models of economic growth and development and evaluation of these perspectives from the experience of developing and industrial countries. Usually offered every year. Mr. Jefferson

ECON 176a The Household, Health, and Hunger in Developing Countries

[ss]

Prerequisites: ECON 80a is required and ECON 175a is recommended. Primarily recommended for juniors and seniors. Examines aspects of poverty and nutrition that are confronted by households in low-income countries. Examines these issues primarily from a microeconomic perspective, although some macroeconomic angles are explored as well. Usually offered every year. Ms. Menon

ECON 177b Economic Regulation and Deregulation

[ss]

Prerequisite: ECON 80a.

Rate regulation of natural monopolies, antitrust regulation of horizontal and vertical mergers and contracts, and the deregulation movement. Focus on the peak-load pricing problem, vertical restraints, and case histories of airlines and savings and loan institutions. Usually offered every third year. Staff

ECON 178b Monetary and Fiscal Policy - Theory and Applications

[ss]

Prerequisites: ECON 82b and 83a.

Studies the relation of monetary and fiscal policy to inflation, to aggregate employment, and to the financing of the public sector. Explores both the theoretical debates and the practical issues faced by policy makers. The theoretical analysis is applied to several contemporary and historical developments including the economic expansion of the 1990s, the financial crises in developing economies, inflation targeting, credit channels and the implications of the Euro. Usually offered every year. Staff

ECON 181b Game Theory and Economic Applications

[ss]

Prerequisites: ECON 80a, ECON 83a, MATH 10a or equivalent.

Analysis of decision making in multiperson settings. Studies models of equilibrium and various kinds of games under perfect and imperfect information. The applications include competition, auctions, voting, risk sharing, bargaining. Usually offered every year.

Mr. Bahceci

ECON 184b Econometrics

[ss qr]

Prerequisites: ECON 80a, 82b, and 83a.

An introduction to the theory of econometric regression and forecasting models, with applications to the analysis of business and economic data. Usually offered every year. Ms. Menon

Cross-Listed Courses**AAAS 60a**

Economics of Third World Hunger

BUS 6a

Financial Accounting

BUS 10a

Functions of the Capitalist Enterprise

BUS 70a

Business in the Global Economy

BUS 75a

Issues in Business and Management

HS 104b

American Health Care

HS 110a

Wealth and Poverty

HSSP 104b

Health Economics

PHIL 13b

The Idea of the Market: Economic Philosophies