

0. Introduction to Economics

Structure of the course and information about the exam

Faculty of Humanities
Charles University in Prague

Syllabus

- 1. Demand, supply and market price
- 2. The price mechanism and market failure
- 3. Some application of price theory
- 4. The basis of demand
- 5. The laws of returns
- 6. Perfect competition, imperfect competition, monopoly, price discrimination
- 7. National income and its measurement. Investments
- 8. Aggregate demand and aggregate supply
- 9. Money and the creation of bank deposits, monetary control
- 10. Inflation, value of money
- 11. Exchange rate systems
- 12. Public finance and taxation
- 13. Exam

Textbook

1. Rios, M. C., McConnell, C. R., & Brue, S. L. (2013). *Economics: Principles, problems, and policies*. McGraw-Hill.
2. *Study Guide for Economics, Nineteenth Edition* Campbell R. McConnell, Stanley L. Brue, Sean M. Flynn, and William B. Walstad

- Students are responsible for chapters
- 1-7, 9-14, 15-17, 19-20, 26-37

STUDY GUIDE

for use with

McConnell, Brue, and Flynn

E C O N O M I C S

Nineteenth Edition

WILLIAM B. WALSTAD
PROFESSOR OF ECONOMICS
UNIVERSITY OF NEBRASKA-LINCOLN

 **McGraw-Hill**
Irwin

Required reading

- Besides the lectures and the homework, you will be supposed to read at least one of the chapters of the book each week (preferably more than one) so that at the end of the semester you finish reading all the required chapters and watching all the videos and have done all the homework.

Requirements to get the credits for the course

- Attendance – 20% of the grade.
- Final test (exam) - 80% of the grade

The exam, types of questions

Faculty of Humanities
2020

Introductory Economics

Final Examination

Family NameFirst Name.....
Faculty You Are From
Date

TRUE-FALSE QUESTIONS

Circle the T if the statement is true, the F if it is false

A command economy is characterized by the private ownership of resources and the use of markets and prices to coordinate and direct economic activity T F
1 point

MULTIPLE CHOICE QUESTIONS. Circle the letter that corresponds to the best answer

The maximalization of profit tends to be the driving force in the economic decision making of (a) workers (b) consumers (c) legislators (d) entrepreneurs 1 point

PROBLEMS. Answer the following questions

Explain three out of five pitfalls to sound economic reasoning. 3 points

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SHORT ANSWER AND ESSAY QUESTIONS

What are externalities? Give examples of positive externalities and negative externalities. 3 points