

Objectives

The primary objective this summer is to familiarize yourself with the topics and lingo of economics. So time spent following the news in the business section of the daily newspaper and other financial magazines is your best prep for the course. These readings will hopefully unlock the bigger questions that make economics not just a subject area in the so-called social sciences, but a study of human nature and American culture, as well. It's more interesting course that way.

Assignment

1. Using daily newspapers, articles in financial magazines (see list below*) or transcripts of radio/TV programs (see sources below), read and collect 10 articles that relate to any one or more of these current questions about our economy. (

1. What causes the stock market in general to rise? To fall?
(See daily post-mortem on B2 in ADG. Note the averages of the Dow Jones, S&P500)
2. Which companies are reporting profits (or losses) and why?
(Follow companies in one particular industry—energy, defense, telecommunications, airline, pharmaceuticals, auto—or follow corporations listed in the Arkansas 20.)
3. What happens when companies change prices?
(How do buyers respond? What's the relationship among price, sales, and revenue?)
4. What affects prices? When can companies raise (or lower!) prices? When can't they?
(Watch for news about costs, productivity, competition, economies of scale & monopoly.)
5. What causes the "invisible hand of the free market" to fail—and pollution or monopoly?
(What kinds of hidden costs are not paid by the producer? When do companies produce too much of a "bad thing" or too little of a "good thing"?)
6. What role should government play in the economy? When do regulations help/hurt?
(Watch for both pro & con arguments on regulations or lack thereof.)
7. How good is our economy? How big is it? Is it big enough? What are the indicators?
(Watch esp. for monthly & quarterly reports on unemployment, business spending, trade deficits, GDP, national debt, inflation, factory inventories, consumer price index, etc.)
8. What's the Fed saying and doing and why? Is inflation or a slowing economy the bigger problem? Inflation? *(What did the Fed do with its interest rate and why?)*
9. Why do we have a trade deficit? Why is the dollar "weak" vs. the euro? Who cares?
10. Is the budget deficit such a big deal? How does the national debt affect the economy?
11. Which major issues need solutions now—and how?
(Social Security? Health Care costs? Worker pensions? Nat'l Debt? Energ? Envrmt?)

Choose your sources from the following three levels of reporting on economic and business news. The daily newspaper stories are written more in layman's language. Start your reading here (section A and the Business section.) For the next level of analysis, go to financial publications. One gateway to financial magazines online is www.economist.com. ("Backgrounders" and "Surveys" are free articles. You can link to Bloomberg, CNN, and the Financial Times for more free articles. At the 3rd level, the Wall Street Journal sets the standard, but Barron's is the bible of CEOs. Investors Business Daily (IBD) caters to brokers who want info in short sentences. (It's worth buying one copy of either and using several of the articles for your biblio.)

Finally, learn by listening. KUAR FM89.1 airs two entertaining radio shows. Try "Marketplace" (6:30-7:00 p.m. wkdays) and "The Motley Fool Radio Show" (Sat 3 p.m.) Get a partial transcript and related articles at www.npr.org ("Archives") and www.fool.com.

2. Create an **annotated bibliography** for the 10 articles [handwritten is fine, but use MLA format]:

Format for entry for a print source [first line is flush with margin, all others indented]:

Author's name (last, first) [If no author named, start with title]. "Title of the article [inside quotation marks and ended with a period]." Name of newspaper or magazine [underlined but NOT ended with a period] date month year [separated from page info by a colon] : section letter page #.

Format for entry for an online source:

Author's name (last, first). "Title of the article [inside quotation marks and ended with a period]." Name of website [underlined and ended with a period]. Date article was written or posted, if given [write European style--date month year]. Name of organization sponsoring website [use the name following the copyright symbol at bottom of page and end with period]. date article accessed [NOT followed by period] <URL of website [written inside angle brackets]>.

Format for entry for a radio/TV show:

"Title of program [find this online at the site given]." Narrated by [if named online]. Name of radio/TV show [e.g. Marketplace or CNN MoneyTalk]. Name of broadcaster [e.g. NPR or CNN]. date of broadcast.

After the entry, write a **brief** 3-paragraph (2-3 sentences/paragraph) notation. The notation is not indented. It should (1) summarize the main points of the article and (2) explain how it is related to one of the research questions. Also, for this exercise, (3) add another short paragraph about what interested you, surprised you, or confused you as you read this article. End your notation with a question that the article raises in your mind. [Note: Later in the school year, you can convert this bibliography into extra credit work by explaining how this particular article relates to the textbook discussion of the same topic.]

Points and Due Dates

The annotated bibliography (with accompanying articles) is 100 points worth of work on your part. You may choose to have the grade counted (1) all in the first 9 weeks average as a 100 pt assignment, (2) or all in the 2nd 9 weeks—whichever benefits you most.

It is due the beginning of the second week of class. Your grade is based on how thoroughly you follow the above instructions. You don't have to know Econ to read-think-write about the articles. You just need to do the reading-thinking-writing. And you have to use correct MLA.

P.S. Do your own reading, thinking and writing. No freeloading. Attach copies of the articles.

Questions??

Contact Mr. West by email: george.west@lrsd.org