

ECONOMICS

Economists study how individuals, families, companies and nations confront difficult choices about how to use limited resources to meet various needs and wants. Evaluating these choices in terms of criteria such as efficiency, equity and stability, economists search for alternative forms of economic organization that might produce a desirable distribution of material well-being. In the major in economics, students understand the basic concepts, theories and techniques of economics and become familiar with the way economists think about problems and devise solutions to them.

Through introductory and intermediate courses in macroeconomics, the study of national income and price determination, and microeconomics, the study of consumers and producers within the larger economic system, the major provides students with the tools to learn a variety of economic problems. That foundation is complemented by the study of econometrics and advanced courses in macroeconomics and banking, international finance and trade, taxation and public spending, behavioral economics, the economics of developing countries, health care and the environment, as well as in economic theory and methods. Economics majors acquire analytical and critical thinking skills valuable for employment and graduate studies in economics and a wide range of fields and disciplines.

Degrees Offered

- Economics, BPhil (<https://catalogs.northwestern.edu/sps/undergraduate/economics/economics-bphil/>)
- Economics, BSGS (<https://catalogs.northwestern.edu/sps/undergraduate/economics/economics-bsgs/>)

Economics Courses

ECON 201-CN Introduction to Macroeconomics (1 Unit)

Introduction to economics with emphasis on macroeconomics. Topics include: scarcity and choice, elements of supply and demand, inflation, unemployment, recessions, booms, fiscal and monetary policy, international balance of payments, and budget deficits.

Prerequisite: basic algebra and graphing.

ECON 201-DL Introduction to Macroeconomics (1 Unit)

Introduction to Macroeconomics.

ECON 202-CN Introduction to Economics II: Microeconomics (1 Unit)

An introductory course on the fundamentals of microeconomics. The behavior of individuals and firms in deciding on prices and allocation of scarce resources. Topics include: consumer preferences, costs of production, equilibrium prices and output, different market types, potential market failures, and the role of government interventions and public policy.

Prerequisite: ECON 201-CN.

ECON 203-CN Introduction to Microeconomics (1 Unit)

NPEP course.

ECON 251-PP Law and Economics (1 Unit)

NPEP course.

ECON 281-CN Introduction to Applied Econometrics (1 Unit)

An introduction to econometrics. The underlying theory of regression and the practical application of these techniques to data sets. Understanding and diagnosing common statistical problems encountered during estimation.

Prerequisite: STAT 202-CN or equivalent.

ECON 307-CN Economics of Medical Care (1 Unit)

Application of microeconomics to the study of health insurance and the health care sector. Topics include: design and financing of health insurance, public and private demand for medical care, role of competition, regulation of hospitals and physicians, roles of nonprofit and for-profit organizations, and technological change.

Prerequisite: ECON 281-CN, and ECON 311-CN.

ECON 308-CN Money and Banking (1 Unit)

The role of money, banking, and financial markets in the modern economy. Topics include: function and history of money, financial flows, evolving nature of banks and their regulation, monetary policy, modern central bank practices, effect of monetary policy on economic outcomes, and the response to financial crises.

Prerequisite: ECON 201-CN, ECON 202-CN.

ECON 309-CN Elements of Public Finance (1 Unit)

Understanding the role of government in the economy in theory and practice. Topics include: structure and implications of various tax instruments, role of public debt, and methods for evaluating government expenditures and programs.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 310-A Microeconomics (1 Unit)

A more mathematically formal and rigorous treatment of the core concepts of microeconomics introduced in ECON 202-CN. Topics include: consumer behavior and the theory of demand, costs of production and the nature of equilibrium in competitive and monopolistic markets.

Prerequisite: ECON 202-CN and MATH 220-A.

ECON 310-B Microeconomics II (1 Unit)

The continuation of the intermediate microeconomics sequence provides tools to analyze social wellbeing, social choice, risk and uncertainty, information asymmetries, competitive independencies between firms (game theory), market spillovers and general equilibrium.

Prerequisite: ECON 310-A.

ECON 311-CN Macroeconomics (1 Unit)

A more mathematically formal and rigorous treatment of the core concepts of macroeconomics introduced in ECON 201-CN. Topics include: aggregate consumption, inflation, unemployment, growth, international balances between countries, and the role of monetary and fiscal policy.

Prerequisite: ECON 201-CN, ECON 202-CN, and MATH 220-A.

ECON 326-CN Economics of Developing Countries (1 Unit)

Microeconomic issues in underdeveloped countries. Topics include: land use, labor, migration, credit and microfinance, informal and formal insurance, famine, education and health.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B, ECON 311-CN.

ECON 330-CN Behavioral Economics (1 Unit)

Understanding of how humans make choices in economic situations. The incorporation of psychology and/or sociology into economics to gain deeper insight into economic behavior, to make better predictions, and to generate improved policy prescriptions.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 331-CN Economics of Risk and Uncertainty (1 Unit)

Models of decision making under uncertainty. Use of these models to understand economic phenomena such as investments in financial assets, insurance, contracting, and auctions.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 339-CN Labor Economics (1 Unit)

The theory and empirical analysis of employment relationships. Topics include: decision to participate in the labor market, tradeoff between

labor and leisure, demand for labor by firms, matching of workers and jobs, role and effect of trade unions, minimum wage legislation, labor mobility, and human capital acquisition.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B, ECON 311-CN.

ECON 341-CN Economics of Education (1 Unit)

The economic analysis of education. Topics include: returns to schooling, individual decisions to invest in education, the production of education, markets for schools and teachers, financing, and public policy.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 349-CN Industrial Economics (1 Unit)

Examination of the competitive and cooperative strategies employed by profit-maximizing firms in a wide range of market structures. Topics include: the setting of prices and outputs, product quality and variety, competitive responses, entry barriers, mergers and acquisitions, and relationships with suppliers and distributors.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 350-CN Monopoly, Competition and Public Policy (1 Unit)

Application of microeconomic tools to the problems and issues caused by monopoly power in the context of antitrust law, public utility regulation, and intellectual property. Use of economic theory and landmark legal cases to study the purpose and development of policies to mitigate anti-competitive practices, and highlight currently unresolved public policy debates.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 351-CN Law and Economics (1 Unit)

Use of economic analysis to understand the incentives, workings and efficiency of the legal system. Topics include: torts, contracts, property, criminal law, corporate law, and antitrust and regulation statutes.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 354-CN Issues in Urban and Regional Economics (1 Unit)

Factors affecting the spatial distribution of economic activity within cities and between different regions of a country. Choice of residential and workplace location. Applications of economic analysis to problems of urban areas such as housing markets, zoning restrictions, and racial and social patterns of employment and housing.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 355-CN Transportation Economics and Public Policy (1 Unit)

Economics of all forms of transportation and the regulatory and public policy environment in which they operate. Topics include: demand by passengers and freight shippers, costs of production, optimal pricing, regulatory interventions, subsidies, evaluation of investment, and dealing with congestion.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 358-CN Economics of Art and Culture (1 Unit)

Application of economic analysis to creative and performing arts, and the heritage and cultural industries. The economic organization of the cultural sector and with the behavior of producers, consumers and governments in that sector.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 360-CN Foundations of Corporate Finance Theory (1 Unit)

How corporations allocate resources over time as facilitated by capital markets. Topics include: discounting techniques and applications, stock and bond valuation, asset pricing models, diversification and portfolio choice, capital budgeting, and basic option theory.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 311-CN.

ECON 361-CN International Trade (1 Unit)

Factors influencing trade in goods and services between countries and the implication of globalization. The reasons for, and the effects of,

trade policy instruments such as tariffs, quotas, and voluntary export restrictions.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B, ECON 311-CN.

ECON 362-CN International Finance (1 Unit)

The determination of exchange rates, international asset prices and flows, currency crises, and the international transmission of macroeconomic disturbances.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 372-CN Environmental Economics (1 Unit)

Economic analysis of scarcity and incentives explaining environmental issues such as pollution and climate change. Modeling and evaluation of public policy. (Students may not receive credit for both ECON 370-CN and ECON 372-CN).

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 373-CN Natural Resource Economics (1 Unit)

Evaluation of economics models and public policy concerning natural resources such as farming, fisheries, forests, minerals, ores and fossil fuels.

Prerequisite: ECON 281-CN, ECON 310-A, ECON 310-B.

ECON 399-CN Independent Study (1 Unit)