

LAE ASSIGNMENT

EC-203 | Fall 2023

Due: Monday, December 11, 2023 by 5:00 pm

Overview. This course is a part of the University's Liberal Arts Exploration Core; consequently, students are required to write an essay to enhance their understanding of global social issues using macroeconomic theory. This exercise aims to increase social and global awareness, fostering informed and responsible citizens.

Your essay should be 500 words (more is OK, less is not). It should be typed—with standard font and margins—double-spaced, printed, and stapled. Proper spelling, grammar, and syntax is expected.¹ At the top of the first page, please include your name and course section (e.g. John Doe, EC-203-B). Late submissions will receive a 20 point per day penalty.

Prompts. Select one of the following six prompts for your essay.

1. The US currently utilizes trade sanctions to punish some countries, and, at the same time, trade quotas and tariffs to support domestic producers. These policies seem to be at odds with one another; in the first instance restricting trade to dampen economic prosperity and in the second instance restricting trade to enhance economic prosperity. Evaluate.
2. In response to the COVID-19 pandemic, many countries engaged in monetary and fiscal policy. Evaluate the response of at least two countries. Compare the (1) timing, (2) scale/scope, (3) impact, and (4) longer-run consequences of the policies. Finally, with hindsight, what would have been optimal policy in the US? Explain.
3. How are rational ignorance, special interest groups, and economic inefficiency related? Explore at least one example of their relationship and the resulting impact on the macroeconomy.
4. Consider how changing the operational definition of money impacts the Quantity Theory of Money (QTM). Specifically, consider how including US Government Debt (Treasuries)—which is often used as “money” by ultra-high net worth individuals and businesses—in the money supply impacts the implications/predictions of the QTM. Explore this modified QTM. Overall, how well does the QTM explain inflation in the US in the post-Covid era? Does this depend on the operational definition of “money” used (M2 vs. M2+Treasuries)?

¹All students in this course have access to Grammarly Premium; I suggest that you utilize this resource.

5. Over the last 50 years, Argentina has averaged 0.7% Real GDP per capita growth. Over the same period the United States has averaged 1.8% Real GDP per capita growth.²
(1) What explains the disparity in growth rates? (2) What are the real world economic implications of such a difference. (3) How might the current political changes in Argentina impact their economic growth moving forward?
6. On January 10, 2023, at the International Symposium on Central Bank Independence, Federal Reserve Chairmen Jerome Powell stated, “we are not, and will not be, a ‘climate policymaker.’”³ Using only economic arguments, should the Federal Reserve consider climate and the environment when making policy?

Citations. Each Student is expected to complete their own work; plagiarism will not be tolerated. When used, other’s works should be cited (this applies to direct quotations, paraphrases, and any other non-original ideas or data in your essay). The specific format of citation (in-text parenthetical, footnote, etc) is up to you, but it is critical that you cite your sources in such a way that I am able to find them. Any sentence without a citation is assumed to be completely original to you.

AI. You may use generative AI such as ChatGPT or Claude for this assignment. They are particularly useful in helping to brainstorm ideas, test logic, strengthen your argument, and even edit drafts; however, they are not a replacement for critical thinking. If you use generative AI, you must cite it and note its use. If you directly quote the output of generative AI, you must use quotation marks and a citation. The final paper should be distinctly you (rather than distinctly GPT).

Tips. Consider the following tips when writing your paper.

- Economics is a positive social science; this is not an opinion based (normative) assignment. Use economic logic; avoid normative statements.
- Your writing should be clear and concise.
- State your thesis plainly, then support it.
- Each of your body paragraphs should support your thesis. Each sentence within each body paragraph should support the topic sentence of that paragraph. Each word of the sentence should support the idea of the sentence. Consider the marginal benefit (and relevancy) of each and ask if it adds enough value to your paper to be included... if not, delete it.

²World Bank National Accounts Data and OECD National Accounts Data Files, 2023, available at <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG>.

³<https://www.federalreserve.gov/newsevents/speech/powell20230110a.htm>.

Criteria	Excellent (A)	Good (B)	Satisfactory (C)	Needs Improvement (D/F)
Introduction and Thesis	The introduction is engaging, provides necessary context, and presents a clear, insightful thesis statement.	The introduction is clear, provides context, and includes a relevant thesis statement.	The introduction and thesis are present but lack clarity or depth.	The introduction and thesis are unclear, irrelevant, or missing.
Understanding of Economic Concepts	Demonstrates thorough understanding of relevant economic concepts and applies them accurately to the topic.	Shows good understanding of economic concepts with minor inaccuracies.	Displays basic understanding of economic concepts with some significant inaccuracies or omissions.	Lacks understanding of key economic concepts or fails to apply them correctly to the topic.
Analysis and Critical Thinking	Provides solid analysis of the topic, showing insightful connections and recognizing relevant implications.	Offers a clear analysis with some depth, showing a decent understanding of the topic and implications.	Provides basic analysis of the topic, showing only a general understanding of the topic and implications.	Analysis is superficial or missing; fails to show a basic understanding of the topic or implications.
Evidence and Examples	Uses appropriate and relevant examples from credible sources to support arguments. Examples are excellently incorporated.	Uses relevant sources with good integration of examples to support most arguments.	Uses relevant sources and examples, but integration and support for arguments are limited.	Uses irrelevant sources and examples, or fails to integrate them effectively to support arguments.
Organization and Clarity	The essay is exceptionally well-organized, with clear, logical progression of ideas.	The essay is well-organized with a clear progression of ideas.	The essay has a basic structure, but may lack clear progression of ideas.	The essay is poorly organized, lacks clarity, or is difficult to follow.
Grammar and Mechanics	Writing is free of grammatical, spelling, and punctuation errors, enhancing readability and professionalism; writing is clear and concise.	Writing contains few grammatical, spelling, or punctuation errors, with minor impact on readability; writing is mostly clear.	Writing contains several grammatical, spelling, or punctuation errors, affecting readability; writing is somewhat clear.	Writing contains numerous errors in grammar, spelling, and punctuation, significantly hindering readability; writing lacks clarity.
Formatting Guidelines	Strictly adheres to specified formatting guidelines (font, margins, spacing); exceptionally well presented.	Mostly adheres to formatting guidelines with minor deviations; well presented.	Adheres to basic formatting guidelines but with notable deviations; presentation is acceptable.	Fails to adhere to formatting guidelines; poor presentation.