Syllabus: ECON 190F

Fall 2020

Thinking Through Models

Faculty: Jason Brent

TUE-THU: 1:45-3:00, Social Sciences 139 (or wherever you are in the world).

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Notes on Fall 2020

You are arriving at Duke University in an environment that is unique. It is my intention that you get as much of the full intellectual engagement from this course as we would expect under any circumstances. It is my belief that this can be an experience that is as valuable as it is challenging for all of us.

We will meet in person for as long as that seems the reasonable and prudent thing to do. We have a classroom that accommodates all of us under the new circumstances of life and I look forward to being able to be in a classroom with as many of you as possible.

We also have several members who will not be able to join us physically for the entire semester and there may be several of us who will be unavailable to meet in person at some point during the semester. For that reason, all meetings -- in-person and entirely virtual -- will be conducted over Zoom synchronously. Those of us in the classroom will obviously be able to engage directly, but we will all bring laptops with us to each meeting and conduct our conversations via the computer over Zoom, so
that those who are joining remotely will always be able to be full participants, both in
discussion with me and with all of your classmates.

Because those students who are able to be on campus during the semester will have
the ability to chat after class and meet in office hours, I will set aside times at the
beginning of the semester to have one-on-one chats over Zoom with any students who
would like to have a chance for a direct conversation, and I hope that many of you
take advantage of this opportunity.

During the semester there will be three primary modes of interaction for our class
(aside from the IDC programming for which we will join the entire cluster).

1. Class meetings. As I mentioned, these will be synchronously Zoomed so we
   will all be able to participate wherever we are. These will be a mix of some
   lecturing by me with most of the time devoted to seminar-style group
discussions.

2. Recorded Mini-Lectures. Throughout the semester I will record and post
   short lectures on the content of the course. These will be available
   asynchronously but should be watched before the following class period.
   These are to maximize the information I can convey and augment and guide
   your reading to minimize the amount of class time that will involve me
   simply lecturing or relating information over Zoom.

3. Open Zoom Hours. I will schedule at least one hour a week for Zoom
   “drop-in” availability. While you will be able to make an appointment to
   have one-on-one conversations throughout the semester, this will be a
   virtual open door period when anyone who wants talk about the course
   material or anything else you’d like to discuss can log on and join a
   conversation with me.
1. Overview of the Course
Models of agents, behaviors, mechanisms and markets are essential to the way economists think about and describe the world. This course examines several of the models that have been most crucial to the development of economic thought from the early nineteenth century through to the present. Students will learn to understand how economists have used models as tools of inquiry and prediction, assess the functional elements of these models and consider how accurately they map on to the empirical phenomena they describe.

2. Course Objectives

This course is designed to develop your literacy in economics models, writing, argument, and analysis. By working with these key historical models, you will learn to read, understand, and assess them critically, both in the context of their development and as working intellectual objects. This will equip you with sophisticated tools that will enable you to understand the role of model making and analysis in economic thought.

Upon successful completion of this course, each student will:

1. Be able to identify the key elements in each economic model we cover in the course and the argument or analysis the model is intended to convey.
2. Be able to identify the time during which each model originated and key elements of the story behind its creation.
3. Be able to identify ways in which the model continued to be used for its original purpose or evolved to be used in other ways.

4. Be able to use writing and speaking skills to express well-reasoned economic arguments clearly and concisely.

5. Be able to analyze economic models and concepts in order to understand, explain and critique them as analytic tools.

At its core, this is a course in economic reasoning. You are intended to acquire knowledge of the history of the discipline of Economics, but much more importantly it is the goal of this course to unlock your economic reasoning skills in ways that will be useful to your historical understanding as well as to your contemporary and future analysis.

3. Written Assignments

There will be one two essay assignments for this course. In both the first and second half of the semester you will write a detailed assessment of one of the models covered in the course. I will provide a more complete rubric of this entire process once we start the class.
4. Reading Response Blog

Each student will be required to post a blog response to a specific question based on the required reading for each class at the beginning of the week. Response are due by five pm each Monday for which the reading response is assigned. An effective blog response should be at least 2 to 3 paragraphs. Blog Questions will be posted by 5 pm each Friday on my blog on Sakai.

5. Attendance/Classroom Rules

This class is designed to be a collaborative exercise. Every student should come to class promptly and be prepared to participate in the day’s discussion.

A) Disabilities

If any student requires assistance or appropriate academic accommodations for a disability, please contact me after class, by email, during office hours or by individual appointment. You must have established your eligibility for disability support services through the Division of Student Affairs, Disability Services.

B) Grading

1. Reading Responses (10 Percent): Grades will be awarded on the basis of 0 for no response, 2-3 for a late response (within one week) or one with obviously
inadequate effort, and 4-5 for any reasonable effort. Blog posts will not be graded for correctness or accuracy. Students may drop one grade for the semester’s blog responses.

2. **Two Model Analyses (20 Percent Each):**

Two 4-5-page papers each analyzing one of the models we cover in the course. A more detailed rubric will follow, but you will be responsible for describing the models in detail, explaining the key predictions or uses of the model and then analyzing the relationship between the modeling choices and its ultimate purposes.

3. **Debate Assignment (20 Percent):** During the semester there will be several debates on issues concerning the use of specific economic models and the more general role of models in the profession. Grades will be assigned to judges on the quality of their written outlines in addition to their actual debate participation. You will be assessed primarily on the strength of your ideas rather than on your ability or style as a speaker. A more detailed rubric will be provided prior to the first debate session.

4. **Final Exam (30 Percent):** There will be a final take-home exam in the course. I will work to be flexible in scheduling the window of time during which you will complete the exam.
**C) Regrade Requests**

1. All regrade requests must be made within one calendar week (7 days) of the assignment being returned.

2. All regrade requests must be made at least 24 hours after the assignment has been returned. I want you to take time to think about the feedback rather than reflexively asking for a higher grade. The time to come and talk to me is while you are working on the assignment in order to get working feedback on your ideas.

3. In all cases, I reserve the right to regrade your entire assignment, so there is always a possibility that regrading will lower your grade.

**Readings:**

During the semester I will post additional readings and resources at least in part in response to how our discussions evolve and what subjects emerge as being of greatest interest to the class. We will also essentially use as a textbook a remarkable book on history, methods and theory in economics:


I will be working from the Kindle edition, but it will be fine for you to use it in whatever form you prefer. However, you will need to have a copy of your own.
Weekly Schedule:

Please complete the readings before each designated week:

**August 18th & 20th:**

Morgan, Chapter 1: Modelling as a Method of Enquiry

18th: Part I, Changing the Practice of Economic Science

20th: Part II, Making Models, Using Models

**August 25th & 27th:**

Morgan, Chapter 2: Model-Making: New Recipes, Ingredients, and Integration

25th: Parts 1-3

27th: Parts 4-5

**September 1st & 3rd:**

Morgan, Chapter 3: Imagining and Imaging: Creating a New Model World

1st: Parts 1-5.i

3rd: Parts 5.ii-8
September 8th & 10th:
Morgan, Chapter 4: Character Making: Ideal Types, Idealization, and the Art of Caricature
  8th: Parts 1-4
  10th: Parts 5-8

September 15th & 18th:
Morgan, Chapter 5: Metaphors and Analogies: Choosing the World of the Model & Chapter 6: Questions and Stories: Capturing the Heart of Matters
  15th: Chapter 5, Parts 1-4
  17th: Chapter 5, Part 5; Chapter 6, Parts 1-2

September 22nd & 24th:
Morgan, Chapter 9: Model Situations, Typical Cases, and Exemplary Narratives
  22nd: Game Theory Fundamentals
  24th: Parts 1-3

September 29th & October 1st:
Morgan, Chapter 9: Model Situations, Typical Cases, and Exemplary Narratives
  29th: Parts 4-5 & Real-Life Applications
  1st: Repeated Games: Analysis and Strategic Implications

October 6th & 8th:
Models of Returns to Education: Human Capital vs. Signaling


October 13th & 15th:
Models of Returns to Education: Human Capital vs. Signaling

13th: Acemoglu & Autor: Human Capital and Signaling, Chapter 2
15th: Acemoglu & Autor: Externalities and Peer Effects, Chapter 3

Access via: Acemoglu and Autor, Labor Economics

October 20th & 22nd:
Models in Game Theory. Access via:


20th: Chapter 1 and some Game Theory History.
22nd: Chapter 2 and additional Games.
October 27th & 29th:

Coase Theorem and its Consequences

27th: Coase Theorem. You can access the original paper, “The Problem of Social Cost” here:

https://www2.econ.iastate.edu/classes/tsc220/hallam/Coase.pdf

29th: A behavioral look at the Coase Theorem in action.

Kahneman, et al in Resources on Sakai.

November 3rd & 5th:

Behavioral Economics


5th: A fun and important later contribution: Della Vigna and Malmendier (2006, AER) “Paying Not to Got to the Gym.”

November 10th & 12th:

A critique of the limitations of modeling and data in directing economic policy and planning
Both days:

Hayek (1945, AER) “The Use of Knowledge in Society” (In Resources)

Keynes, The General Theory of Employment, Interest and Money. (1933)
“Chapter 12” (In Resources)