Today's economist is a trained and educated professional whose career may range between academe, with its teaching and research, and private or public administration, with its research, direction, and advising. As a social scientist, the economist seeks to understand, among other things, economic fluctuations, the determinants of growth and decline, and international trade and exchange relations. In both national and international service, the economist's function is to analyze economic and social interrelations in order to better recommend and promote institutional objectives. The field offers extensive career possibilities.

The economics faculty is involved in active research, using New York University's excellent computer facilities and libraries. Many faculty members are also associated with research institutes. The C. V. Starr Center for Applied Economics, directed by Professor Jonathan Eaton, bridges the gap between academic research and decision making in business and government. It analyzes issues of important economic and social consequence and disseminates the results of its research to the business community through a series of conferences, monographs, seminars, and research papers.

Program of Study

CAREER PREPARATION
The undergraduate program in economics prepares students in three ways. First, it provides a thorough foundation for those who wish to continue advanced study in the field of economics. Second, the curriculum prepares students for the business world by providing them with both analytic skills and an understanding of underlying business trends. Finally, the economics program provides an excellent background for those interested in law, politics, international affairs, journalism, and other areas. Students may take either the policy concentration or the theory concentration under the economics major.

ALTERNATE CONCENTRATIONS IN ECONOMICS MAJOR
In order to allow students to select an approach to the study of economics that is more suitable to their personal aptitudes and interests, a major in economics can be taken in either of two concentrations as described below. For further information, visit the department's Web site at www.econ.nyu.edu.

Policy Concentration
The policy concentration is intended for the student who is primarily interested in the application of economic principles to understanding current events, economic institutions, and the formation of government policy. This concentration is particularly well-suited for students planning careers in business, law, public policy, or any other field in which a thorough understanding of economic problems and the economic way of thinking would be beneficial. This is the concentration that most business school students prefer.
Policy Core
(16 Credits)

- C31.0010 Intermediate Microeconomics
- C31.0012 Intermediate Macroeconomics
  Plus two 200- or 300-level courses in economics, one 300-level course is required.

**Note:** Economic Principles I (V31.0001) is a prerequisite for Intermediate Macroeconomics (C31.0012).

Theory Concentration

The theory concentration is intended for the student who wishes to begin the formal study of economic reasoning with an emphasis on mastering the analytical tools. This concentration relies on a higher level of abstraction and focuses on techniques of economic analysis rather than on the understanding of specific economic problems or institutions. It is particularly well-suited for students who intend to pursue a Ph.D. degree in economics, or those pursuing careers or higher degrees in highly quantitative fields such as finance. Students are required to complete three semesters of calculus through V63.0123. Students are urged to talk to department advisers concerning additional mathematics courses that would be useful.

Students following the theory track should not take C30.0001 or C22.0103. Instead, they should take C31.0005, C31.0006, and C31.0020.

Courses

In the list of courses below, some courses are designated either “P”, “T”, or both. “P” alone represents courses to be taken only by students in the policy concentration; “T” alone represents courses to be taken only by students in the theory concentration; both “P, T” represents courses that may be taken by students in both concentrations.

Economics courses for majors fall into four categories: first- and second-year core courses, elective courses at the 200 level and at the 300 level, and special honors courses. The 200-level electives require principles as a prerequisite. The 300-level electives require intermediate core courses as a prerequisite. Independent study credits are numbered 0900 to 0999.

**ECONOMICS CORE COURSES**

- **Microeconomics**
  - C30.0001 4 credits.
  - Prerequisite: V53.0121 (Calculus I) or equivalent: AP Calculus AB/BC score of 4 or 5.
  - Basic microeconomic principles: applications of supply and demand analysis; consumer choice; theory of the firm under perfect and imperfect competition; game theory and strategy; theory and policy issues in market imperfections, such as monopoly and antitrust, externalities and regulation, imperfect information and regulation, income distribution, etc.

**Economics of Global Business**
- C30.0011 3 credits. Fall.
  - Prerequisites: V31.0001 and V31.0002 or C30.0001 and junior standing.
  - This course examines the forces driving toward globalization—the integration of national business activities into globally competitive markets. International trade is a key driver of global integration. The role of comparative advantage as a determinant of the location of production is examined. Also examined are the reasons for and effects of government policies...
that create impediments to international trade. The second part of the course surveys the role of money and finance in global economic activity. The role of exchange rates as key variables in global finance is introduced. Also examined is the role of government policies toward the foreign exchange market, including the choice between fixed and floating exchange rates, and the use of exchange controls to create impediments to currency exchanges. The course also introduces the concept of foreign direct investment and discusses the rising importance of multinational corporations.

FIRST-YEAR CORE COURSES

Economic Principles I (P)
V31.0001 4 points. Fall, spring, and summer.
Prerequisite: V63.0009 (Precalculus) or equivalent.
This course focuses on the economy as a whole (the “macroeconomy”). It begins with the meaning and measurement of important macroeconomic data (unemployment, inflation, and production), then turns to the behavior of the overall economy. Topics include long-run economic growth and the standard of living; the causes and consequences of economic booms and recessions; the banking system and the Federal Reserve; the stock and bond markets; and the role of government policy. This course is a prerequisite for Intermediate Macroeconomics (C31.0012), which is a required course for the economics policy concentration major.

Introduction to Economic Analysis (T)
This course introduces some of the important tools economists use to solve problems, provides examples of how they are used, and prepares students for subsequent course work in the theory concentration. Topics include game theory, decision making by households and firms, competitive markets, long-run economic growth, disequilibrium, and short-run economic fluctuations.

Mathematics for Economists (T)
C31.0006 4 credits. Spring and summer.
Identical with V31.0006. Open to freshmen and sophomores only. Prerequisite: C31.0005. Corequisite: V63.0121.
Specifically designed to provide the appropriate mathematical tools for study in the theory concentration. Examples and motivation are drawn from important topics in economics. Topics include elementary set theory and the abstract notion of a function, Cartesian products, convex sets and concave functions, differential calculus and partial derivatives, integration and the fundamental theorem of calculus, first- and second-order conditions for a maximum, implicit functions, and constrained optimization.

Analytical Statistics (T)
Introduction to statistical reasoning. This course is a prerequisite for Introduction to Econometrics, C31.0266. This is a more analytically oriented course than V31.0018 and provides the introduction to Econometrics, C31.0266. Topics covered include descriptive statistics, calculation of moments, probability theory, an introduction to distribution theory, and an introduction to inference. Lab sessions enable the student to run a wide variety of computer experiments and to simulate all distributions that are discussed as well as to experiment with a wide variety of statistical procedures.

SECOND-YEAR CORE COURSES

Intermediate Microeconomics (P)
C31.0010 4 credits. Fall, spring, and summer.
Identical with V31.0010. Prerequisites: C30.0001 and a course in calculus (V63.0121 or above).
Examines the manner in which producers, consumers, and resource owners acting through the market determine the prices and output of goods, the allocation of productive resources, and the functional distribution of incomes. The price system is seen as a network of interrelated decisions, with the market process serving to communicate information to decision makers.

Intermediate Microeconomics (Honors Section) (P)
C31.0010 4 credits. Fall and spring.
Identical with V31.0010. Prerequisites: C30.0001 and a course in calculus (V63.0121 or above).
Open only to students in the honors track who seek a more challenging course. Covers the same material as C31.0012, but at greater depth and with more assigned reading.

Microeconomics Theory and Analysis (T)
C31.0011 4 credits. Fall. Identical with V31.0011. Prerequisites: C31.0005, C31.0006, and V63.0121, or equivalent.
Rigorous examination of consumer choice, profit-maximizing behavior on the part of firms, and equilibrium in product markets. Topics include choice under uncertainty, strategic interactions between firms in noncompetitive environments, intertemporal decision making, and investment in public goods.

Intermediate Macroeconomics:
Business Cycles and Stabilization Policy (P)
C31.0012 4 credits. Fall, spring, and summer.
Identical with V31.0012. Prerequisites: V31.0001 and a course in calculus (V63.0121 or above).
Study of aggregate economic analysis with special attention paid to the determination of the level of income, employment, and inflation. Critically examines both the theories and the policies associated with them.

Intermediate Macroeconomics (Honors Section) (P)
C31.0012 4 credits. Fall and spring.
Identical with V31.0012. Prerequisites: V31.0001 and a course in calculus (V63.0121 or above).
Open only to students in the honors track who seek a more challenging course. Covers the same material as C31.0012, but at greater depth and with more assigned reading.

Macroeconomics Theory and Analysis (T)
Study of aggregate economic analysis, with special attention to the determination of the level of income, employment, and inflation. Critically examines both the theories and the policies associated with them. This course involves more formal analysis than that used in C31.0012.

Economies in Transition
C30.0031 3 credits.
Prerequisites: V31.0001, V31.0002, and sophomore standing.
The collapse of communism in the former Soviet Union has led to the establishment of independent republics seeking to replace their failed planned economies with market economies. The difficulties of the transition follow directly from the discredited planned economy. This course provides the framework for understanding the transition by providing a basic knowledge of the administrative-command mech-
anism identified with central planning. Against this background, the economics of transition—including issues of privatization, demonopolization, and macroeconomic stability, as well as the appropriate speed of transition—are fully explored. Also included are the economies in transition of Eastern European countries, where similar attempts to create market economies to replace former planned economies are taking place.

Introduction to Econometrics (T)
C31.0266 (formerly C31.0366) 4 credits. Fall.
Identical with V31.0266. Prerequisites: C31.0006 and C31.0020.
Application of statistics and economic theory to the problems of formulating and estimating models of economic behavior. Matrix algebra is developed as the main tool of analysis in regression. Acquaints students with basic estimation theory and techniques in the regression framework and covers extensions such as specification error tests, heteroskedasticity, errors in variables, and simple time-series models. Focus is on single-equation models.

ELECTIVE COURSES:

200 LEVEL

Economic History of the United States (P, T)
C31.0205 4 credits. Spring and summer.
Identical with V31.0205. Prerequisites: V31.0001 and C30.0001, or C31.0005, or equivalent.
Analytic survey of the structure of the United States economy. National income and its distribution; population and land; capital accumulation and development of financial institutions; labor and labor unions; technological change; the market, both domestic and foreign; and the economic effects of government policy.

Ethics and Economics (P, T)
C31.0207 4 credits. Spring.
Identical with V31.0207. Prerequisite: C30.0001 or C31.0005.
Study of the interface between ethical and economic theories. Specific topics covered include a brief overview of various ethical ideas, an analysis of the ethical presuppositions of modern economic theory (especially welfare economics), utilitarian ethics, the moral status of free exchange, the ethical implications of imperfect knowledge between bargaining parties, cost-benefit analysis and human rights, the economic content of the “general welfare,” and laissez-faire.

Urban Economics (P, T)
C31.0227 4 credits. Fall.
Identical with V31.0227 and V99.0310. Prerequisite: C30.0001 or C31.0005.
The city as an economic organization. Urbanization trends, functional specialization, and the nature of growth within the city; organization of economic activity within the city and its outlying areas, the organization of the labor market, and problems of urban poverty; the urban public economy; housing and land-use problems; transportation problems; and special problems within the public sector.

Poverty and Income Distribution (P, T)
C31.0233 4 credits. Fall.
Identical with V31.0233. Prerequisite: C30.0001 or C31.0005.
Defines poverty and welfare. Analyzes who the poor are, why some people are rich and others poor, equality of opportunity, income and status, inequality, trends in the degree of inequality, government’s role in income distribution, and international comparisons of inequality.

Gender and Choices (P, T)
C31.0252 4 credits. Spring.
Identical with V31.0252 and V97.0252. Prerequisites: V31.0001 and C30.0001, or C31.0005.
Examines important economic influences on decisions women make concerning labor force participation and family, the theory of labor market behavior and discrimination, as well as public policy options.

Economics of the Law (P, T)
C31.0255 4 credits.
Identical with V31.0255. Prerequisite: C30.0001 or C31.0005.
This introduction to economic analysis of a variety of legal issues explores the relationship of legal institutions and laws to economic efficiency and social goals (such as justice). Topics are chosen from among the following: economics of property rights, externalities and environmental control, administrative processes, crime, contracts and liability, public utility and antitrust regulations, and individual rights and discrimination.

ELECTIVE COURSES:

300 LEVEL

Strategic Decision Theory (T)
C31.0310 4 credits. Spring.
Identical with V31.0310. Prerequisite: C31.0011.
This course is an introduction to non-cooperative game theory. It focuses on a rigorous development of the basic theory with economic applications such as competition among oligopolists, how standards are set, auction theory, and bargaining. The formal topics include games in strategic form, Bayesian games, and games in extensive form.

Industrial Organization (P)
C31.0316 4 credits. Spring.
Identical with V31.0316. Prerequisite: C31.0010.
This analysis of the structure, conduct, and performance of firms and industries involves the development of a theoretical basis for evaluating performance. Analysis of competition as a state-of-affairs versus competition as a process. The effects of advertising, economic concentration, and innovation on prices and production. Overall survey of contemporary antitrust law and economics.

Market Structure and Performance (T)
C31.0317 4 credits. Every other year.
Identical with V31.0317. Prerequisite: C31.0011.
Designed to familiarize students with a modern approach to industrial organization economics. The modern approach relies extensively on the use of game-theoretic tools to model strategic market behavior and on extensive use of econometric methods for testing hypotheses regarding firm conduct and market performance. In particular, the course analyzes profit-maximizing business strategies of firms with market power as well as strategic interactions among firms in various types of imperfectly competitive markets. It addresses both static modes of competition as well as dynamic competition in research and development and product design. This course also examines the scope of effective public policies designed to improve market performance. Throughout the course, mathematically-based models are used to develop the relevant concepts and test the pertinent theories of firm behavior.

Economic Development (P, T)
C31.0323 4 credits. Fall, spring, and summer.
This course examines in depth the problems of economic underdevelopment, with special reference to the countries of Asia, Latin America, and Africa. The building blocks of economic theory are used to understand the historical experiences of these countries. Macroeconomic topics covered include economic growth, income distribution and poverty, with particular emphasis on the concept of underdevelopment as a circular, self-reinforcing trap. Microeconomic topics include the study of particular markets that are especially relevant to developing
countries: those for land, labor, and credit. Notions of market fragmentation, limited information, and incentive problems receive emphasis. The course ends with international issues: trading patterns, capital flows, and global financial crises are studied from the viewpoint of developing countries.

**Topics in the Global Economy**

**ECONOMICS 27** C31.0324 4 credits. Fall, spring, and summer. Identical with V31.0324. Prerequisites: C31.0012 and C30.0011.

Covers special topics in the context of a global economy. They include fiscal and monetary policy under alternative exchange rate regimes; international transmission mechanisms; barriers to capital mobility; international policy coordination; optimum currency areas, customs unions, and free trade areas; multilateral trade; trade liberalization policies; and the role of the World Bank and of the IMF.

**Economics of Energy and the Environment**


Economic analysis of major policy issues in energy and the environment, both domestic and international. Emphasis is on market solutions to various problems and market limitations in the allocation of environmental resources. Energy issues focus on OPEC and world oil markets, with attention to reducing oil import vulnerability; taxation and regulation of production and consumption; conservation of natural resources; and the transition to alternative energy sources. Environmental issues include policies to reduce pollution. Substantial attention is paid to global warming caused by consumption of fossil fuels.

**International Trade**


This course examines theories of international trade, as well as related empirical evidence. Topics include the relationship between trade and economic growth; the theory of customs unions, international factor movements, trade between unequal partners, and trade under imperfect competition.

**International Finance Theory**

C31.0336 4 credits. Every other year. Identical with V31.0336. Prerequisite: C31.0013.

Financial and macroeconomic issues in international economics, the balance of payments, gold and other assets in international portfolios, exchange rate determination, problems of simultaneous achievement of internal and external policy goals, and interdependence of countries’ macroeconomic policies.

**Economics of Forward, Futures, and Options Markets**


Provides an understanding of the operation and economic role of contracts in forward, futures, and options markets in an economic environment of increased price uncertainty. Includes government regulation of these markets, the role of the hedger and the speculator, and theories of price movements relevant to the markets.

**Ownership and Corporate Control in Advanced and Transition Economies**


Discusses the conceptual foundations and empirical evidence concerning the effects of private ownership on corporate performance. The corporate control mechanisms in the United States, Germany, Japan, and the emerging market economies of Eastern Europe and the former Soviet Union are reviewed. Particular attention is paid to the role of capital markets (takeovers and other shareholder control devices), banks, and other financial institutions, and various corporate institutions (such as boards of directors and shareholder meetings) in facilitating or hindering corporate control and the efficient allocation of resources.

**Experimental Economics**


Introduces the emerging field of formal political economy. The variety of ways in which economists and political scientists think about political science and the interplay of political science and economics are analyzed. The first part of the course focuses on the formal modeling of political behavior and political institutions. In this part, the theory of social choice (how groups of rational individuals make decisions) and collective action (how groups of rational individuals take action) are analyzed. The second part of the course discusses the connection between politics and economics and investigates the effect of political variables on the determination of economic outcomes. Some questions that are answered:

- How can special groups of individuals enhance their well-being by political action? What is lobbying? What is the effect of contributions on political outcomes?

**Labor Economics**

C31.0351 4 credits. Fall and spring. Identical with V31.0351. Prerequisite: C31.0010 or C31.0011.

Analyzes the functioning of the labor market in both theoretical and statistical terms. Examines the determinants of wage and employment levels in perfect and imperfect labor markets, including the concept of education and training as human capital. Models of labor market dynamics are also examined, including those of job search and matching. The role of public policy in the functioning of labor markets is highlighted throughout.

**Public Economics**

C31.0353 (formerly Public Sector Finance) 4 credits. Fall and spring. Identical with V31.0353. Prerequisite: C31.0010 or C31.0011.

In alternate years, stresses policy implications and the development of the theory. Analysis of government economic policies and behavior. Normative and positive economics; the fundamental welfare theorems. What goods should the government provide (public goods)? When should the government tax private behavior (externalities)? Income redistribution and the welfare program. Who pays the tax (tax incidence)? The role of debt policy. On what should taxes be levied (optimal taxation)?

**Advanced Micro Theory**

C31.0365 4 credits. Every other year. Identical with V31.0365. Prerequisite: C31.0011.

Designed to introduce students to some of the main model-building techniques that have been developed by microeconomics. This course is intended for advanced undergraduates who have taken the necessary prepara-
tory courses in economics and mathematics. Three basic topics are covered. The first topic is the static theory of consumer behavior both in a certain world and in an uncertain world. The second topic is the theory of general equilibrium. The third topic is the theory of dynamic optimization. In addition to the coverage of the economics, the advanced mathematical techniques that are needed to understand the material are reviewed.

**Topics in Applied Economics (P)**  
C31.0370  4 credits. Every year.  
Explores economic issues of economic policy using the tools learned in the intermediate micro- and macroeconomic courses. Focuses on a particular issue each term.

**Topics in Economic Theory (T)**  
C31.0375  4 credits. Every year.  
Identical with V31.0375. Prerequisites: C31.0011 and C31.0013. Prerequisite cannot be taken for credit in addition to Topics in Applied Economics, C31.0370.  
Explores issues in economic theory using the tools learned in macro- and microeconomics. Focuses on a particular issue each term.

**Topics in Econometrics (P)**  
C31.0380  4 credits. Fall.  
Identical with V31.0380. Prerequisites: C31.0010, C31.0012, and C22.0103.  
Examines a number of important areas of econometrics. The topics covered include identification and estimation of simultaneous equations models; model specification and testing; estimation of discrete choice models; and analysis of duration models. In addition to covering the relevant theoretical issues, the course includes the application of these methods to economic data.

**HONORS AND INDEPENDENT STUDY**

**Independent Study (P, T)**  
C31.0997, C31.0998  1-4 credits. Fall, spring, and summer.  
Identical with V31.0997 and V31.0998. Prerequisites: C31.0010 and C31.0012, or C31.0011 and C31.0013, and permission of the director of undergraduate studies. No more than a total of 8 points may be taken of independent study.  
The student engages in intensive independent study of an important economic topic under the direction of a departmental faculty member. The results of the study are embodied in a report of a type required by the instructor.

**Honors Seminar (P, T)**  
C31.0390  4 credits. Spring.  
Open only to students in the honors track.  
Under faculty supervision, students read original research material and are required to evaluate the contribution of the research to the understanding of economic events. Students present several short papers and critically review the material studied. Class meets once a week for two periods.

**Honors Thesis (P, T)**  
C31.0450 (formerly C31.0400)  4 credits. Spring.  
Identical with V31.0450. Prerequisite: C31.0410. This course is open only to honors students. For description, see Honors Program. Normally, the thesis is written in the senior year, but students are advised to choose their topic and faculty adviser by the beginning of the senior year at the latest.