

Implementing Active Learning in the Principles of Economics Class

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- In this academic year, I have taught the two-semester sequence on the principles of economics:
 - Principles of Macroeconomics
 - Principles of Microeconomics

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Objectives of Active Learning

- Learn economics lessons while enjoying the class.
- Elevate students' concentration level, so that students learn class material inside classroom rather than outside.
- Let students aware of current economic development and show them the usefulness of economic concepts in explaining real world issues.

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Kinds of Active Learning Implemented

- 1) Classroom activity
- 2) Classroom learning worksheets
- 3) Class article discussion

(Note) I began to implement 1) and 3) newly in the spring semester.

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Classroom Activity

The Miracle of the Market

- Ask the class to answer the following questions:
 - What things do you consider to buy for Thanksgiving?
 - Who worked to produce those things?
 - Who made it sure that your turkey is there when you simply show up at the supermarket to buy it?
- The lesson: The activities of countless people over the course of many months intricately choreographed and precisely timed, so that when you show up to buy a fresh Thanksgiving turkey, there would one waiting. But, what is wondrous is no one coordinated it.

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Classroom Activities

Campus Parking

- When campus parking shortage was an issue this spring at MSU, I ask students to answer the following questions.
 - Write three things that are true about the parking situation on campus.
 - What two problems do you think are most important?
 - What policies could the administration make to resolve these problems?
 - Who needs parking the most?
 - Who would pay the most for parking?
 - Use a supply-and-demand diagram to analyze problem

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Classroom Activities

Campus Parking

- Many students initially have difficulty graphing this problem. They want to illustrate that permit prices are too high, but then their graph will not show the shortage.
- Eventually, they are convinced that parking, while expensive, is actually priced too low.
- Analysis of the various proposals in a supply-and-demand diagram shows some popular policies, like free permits, would aggravate the parking shortage.

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Classroom Activities

How the Ball Bounces

- This quick, but memorable, demonstration is used to introduce the concepts of “elastic” and “inelastic.”
- I prepare one rubber ball and one “dead” ball. The “dead” ball is made of shock-absorbing material and doesn’t bounce.
- I bring two students to the front of the class.
- And give each of them a ball and ask them to bounce it off the floor and catch it.

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Classroom Activities

How the Ball Bounces

- The student with the rubber ball can do this easily.
- The student with the “dead” ball will not be able to bounce it high enough to catch, no matter how hard he or she throws it.
- Then I explain that one ball is elastic; it is responsive to change. The other ball is inelastic; it responds very little to change. These physical properties of elastic and inelastic are analogous to the economic concepts of elastic and inelastic.

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Classroom Activities

Ducks in a Row

- This demonstration illustrates the government intervention in markets can have unintended consequences.
- One volunteer plays the role of government in a poor country. Give the play money to the “government,” except for \$1.
- The government uses this money to buy ducks from the farmer and provides the ducks to the shopkeeper.
- The second volunteer is an urban shopkeeper.

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Classroom Activities

Ducks in a Row

- The shopkeeper asks the government for more ducks whenever he or she is sold out. Give the shopkeeper one duck.
- The third volunteer is a consumer. The consumer buys ducks. Give the consumer \$1 in play money.
- The instructor is a duck farmer. The farmer keeps the second duck.

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Classroom Activities

Ducks in a Row

- Explain this background: “Ducks are a staple food in this country but they are expensive at \$3 each. The government wants to make food cheap for the urban poor to alleviate hunger. They calculate people could afford ducks if they were priced at \$1. The government decides to impose a price ceiling of \$1: \$1 is now the maximum retail price for ducks.”

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Classroom Activities

Ducks in a Row

- And then start the game: The consumer buys one duck from the shopkeeper. The shopkeeper requests more ducks from the government. The government comes to the farmer.
- The instructor, as the duck farmer, controls the game.

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Classroom Activities

Ducks in a Row

- I make three points in this demonstration:
 - **Shortage.** The farmer refuses to sell ducks at \$1 each. The shopkeeper has no ducks.
 - **Subsidy.** The farmer offers to sell the ducks for \$3. The ducks can then be sold in the marketplace for \$1. The government pays a \$2 subsidy to keep food price low.
 - **Black markets.** After the farmer sells the duck to the government for \$3, the duck goes to the shopkeeper for \$1. The farmer buys back the original duck for \$1 and resells it to the government for \$3. This can continue until government runs out of money.

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Classroom Activities

Ducks in a Row

- Lessons from Demonstration:
 - Government intervention in markets can have unintended consequences. The price ceiling initially decreased the amount of food available in the cities. Subsidies to producers can increase production, but subsidies create new incentives.

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Classroom Worksheet

- The purpose of classroom worksheet is to elevate students' concentration level and encourage class participation, so that students learn class material inside classroom rather than outside.
- I post worksheets for each chapter on the class webpage and ask students to print out and bring them to every class time.
- First, I give students a lecture and then ask students to work on the sheet in a small group.

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Classroom Worksheet

- While students are working, I move around the class, take questions and help students.
- After 5~10 minutes of work session, students and I together answer the questions in the worksheet.
- A sample worksheet is attached in the next slide.

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MSU Spring 2007 Econ 202.89 Chapter 10 Dr. Vincent K. Chew

Active Learning: Analysis of Positive Externality

Suppose the external benefit of one's flu shot to society is worth \$10.

- 1) Draw the social value curve.
- 2) Find the socially optimal Q.
- 3) What policy would internalize this externality?



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Class Article Discussion

- It is important to show students how the economic concepts they've learned can be applied to understand real world economics issues.
- I search for newspaper articles that are relevant and timely to the class material.
- And then I post the internet link on the class webpage (or distribute a hard copy in class) one week prior to discussion.

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Class Article Discussion

- In the meantime, I ask for a volunteer who presents the article and leads class discussion.
- After presentation and discussion, I give the class my own thought about the article.
- I give the volunteer an extra-credit in the final grade. Students loved the idea and I had to maintain a waiting list of next presentation.
- Topics discussed in the spring semester are listed in the next slide.

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Class Article Discussion Discussed Topics

- U.S. income inequality
- The minimum wage
- The federal reserve's monetary policy
- How six years of war didn't strain U.S. economy?
- Hyperinflation in Zimbabwe
- What magic is holding up the U.S. dollar?
- Buffet wisdom
- U.S. health care reform
- Solution to road congestion
- Is free trade good or bad for the U.S. people?

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- Students seem to enjoy this diverse format of class, rather than keep lecturing.
- In the fall semester class evaluation, a number of students commented that classroom worksheet was beneficial to them.
- I expect positive students' feedback on classroom activity and article discussion in the spring semester evaluation, too.

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