**Course Syllabus**

**Economics 110: Principles of Microeconomics, Fall 2011**

**California State University, Channel Islands**

**Instructor: Z. John Lu, PhD**

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Class time: T/TH 9:00 – 10:15

Office hours: T/TH 10:30 – 11:30

Class location: Bell Tower 2505

Course website: <http://blackboard.csuci.edu>

Exam 1: Week of October 3, in-class

Exam 2: Week of October 31, in-class

Paper due: Week of November 22

Final exam: Tuesday, December 13, 8:00 - 10:00 a.m.

Required text: N. Gregory Mankiw, “Principles of Microeconomics" (6th Ed.) (South-Western Cengage Learning)

Chapters Covered: Chap 1 – 14

Grading System:

Your grade for the course is based on homework (6), paper (1), and exams (3) in the following way:

|  |  |
| --- | --- |
| Task | Percent of grade (%) |
| Homework assignments (6) | 30 |
| Exam 1 | 20 |
| Exam 2 | 20 |
| Final exam | 20 |
| Paper | 10 |

The final course grade depends on (1) sum of weighted % you earn from the five tasks (best = 100%); (2) your relative ranking in the class[[1]](#footnote-1). Note that +/- grades are allowed, and I typically assign a median (midpoint) grade of a B-/C+. Although attendance is not mandatory, regular attendance and class participation may help your grade at the “margin”. For example, if you are at the cutoff between a B-/C+, regular class participation may boost your grade to a B- relative to someone who does not attend and participate regularly.

Exams

There will be NO make-up exams. If you cannot attend one or more of the scheduled exams, you will be at risk for receiving a poor to failing final grade, even if you ace the other components of the grade.

While the exams are *not* cumulative, the learning in this course is sequential and cumulative. In other words, one cannot learn effectively the materials covered in the 2nd half of the course if one does not learn well the materials covered in the 1st half; the 1st half is the pre-requisite for the 2nd. It will be a big mistake to think one can procrastinate learning until 2nd half of the course and still receive a decent grade.

All exams contain multiple choice questions and some may include T/F matching and short essay questions. The exact distribution may vary between exams, but generally essay questions do not constitute more than 1/3 of the total points in an exam.

Homework assignments

There will be a total of six (6) homework sets in this course. They are due 1 – 2 weeks after assigned. Most homework assignments cover multiple chapters (typically 10 questions for a total of 10 points).

Please turn in your assignments at class time or at my office or in the **Digital Drop Box** under the Course Tools link **prior to** class time on the due date. Late homework will not be accepted. If you cannot finish in time, hand in what you have completed for partial credit. If you know that you will be out of town or otherwise unavailable when the assignment is due, you must submit it early.

*I highly recommend that you turn in the hardcopy for homework, instead of relying on the Drop Box. If you must submit it electronically, please make sure your file is PC compatible—if I cannot open it with my CSUCI office PC, then the assignment will be considered “not turned in”.*

You are encouraged to work in groups to complete the homework assignments. However each student must submit his/her own answers to each problem set. Homework assignments are graded based on accuracy, completeness and effort; quality of exposition and professionalism of presentation may count for as much as 25% of your score. For this reason, *I strongly encourage you to submit the homework typed*.

You may seek help for your homework from me (during office hours). You are also encouraged to visit the Academic Tutoring Center here on campus (inside the library). The service is free, and it is staffed with senior level students in economics. Students from my pervious classes have almost universally given the service high marks.

Answers to the homework problems will be posted on the website after the due date under the **Course Documents** folder. You are expected to read the answers to the homework assignments by yourself, since I will not generally cover homework assignments in lecture. When I do cover certain assignments, I may call on individuals to explain their answers in class from time to time.

Term paper

There is one *required* paper for this class, worth 10% of your total score. The paper must be submitted typed, 3 - 4 pages long (double space, font size=12). Although it is due near the end of semester (week of November 22), you are free (and in fact *encouraged*) to turn it in earlier. I will provide a list of potential topics during the third week in class; and the list will likely contain 1 topic per each course topic covered. More will be said on course topics later in this document.

Class attendance and participation

Regular class attendance is expected. It may help your grade if you are otherwise on the borderline between 2 grades.

Course overview

Microeconomics is the study of how individual consumers and producers make “rational” decisions and how they interact in markets. This course introduces you to the fundamentals of micoreconomic principles; examines their applications to the decisions of both consumers and producers; and evaluates the consequences of those decisions for society as a whole. Additionally, it discusses the role of government and the potential impact of public policies (in particular the taxation system in the US) on the behavior of consumers and producers. One point worth noting here: Because economics studies human behavior which is inherently multi-dimensional, the concepts and tools employed by economists should be evaluated as a component (but NOT the component) of the total understanding of how people make decisions.

This course will cover the following five main topics:

* Introduction to economics, economic way of thinking, and the advantage of trade
* How markets work: supply, demand, and government policies
* Markets and Welfare: taxes and tariffs
* When markets fail: Theory of Externalities and Public Goods
* Introduction to industrial organization

While I will keep the use of mathematical equations and models to a manageable level, the ability to manipulate algebraic equations and a good knowledge of basic geometry is essential for the successful completion of this course. Further, the absence of complex math does not mean a lack of logical coherence in our approach to analyze any issue. *In fact, many have found it harder to express complex economic ideas without the use of mathematics.* I strongly advise you to polish up your algebra and basic geometry for this course.

Ideally, you will complete this course with a better understanding how and why economics is important, useful and relevant to everyday decisions in a wide variety of situations. It is hoped that you will be able to:

* Identify and distinguish positive and normative methods of economic analysis.
* Apply the concept of marginal analysis in optimization decisions faced by economic participants (firms, consumers, workers, etc.)
* Employ economic tools (including but not limited to models, equations, graphs, etc.) to real-world situations, and generate logically consistent arguments regarding efficiency and welfare (of market participants), and the impact of key public policies.
* Distinguish various concepts of economic costs and their relevance to a firm’s decision making.
* Identify circumstances where markets may fail and forecast likely outcomes of such failures.
* Analyze government solutions to market failures.
* Extend learned economic reasoning to other (seemingly non-economic) issues

Cheating

Don't cheat. If I catch you looking at someone else's exam or at notes during an exam, you will receive an F for the exam. Any case of cheating will be referred to Judicial Affairs. Working with fellow students on homework assignments, however, is not cheating and is encouraged.

Plagiarism is also a form of cheating, and if detected, will result in a score of *zero* for the paper. Feel free to research books, journals, magazines, newspapers, or online materials to help you formulate ideas, analyses, or conclusions in the paper. But you *must* properly reference these sources.[[2]](#footnote-2)

Advice on studying

*Create your own notebook*: print the lecture notes before lecture and write on them during lecture.

It is highly recommended that you read the assigned material before it is covered in class. Remember that my lecture notes are NO substitutes for your reading the textbook materials. *Learning the materials in a measured pace is far better and less anxiety-producing than cramming before exams.* Complete the homework assignments carefully and on time. Follow domestic and international economic affairs closely, as they may be the best real world examples and case studies to apply the knowledge you learn from the textbook. Pay attention to what political candidates say about the economy and their policy recommendations, and see how the theories and models you learn in class may support or refute their positions. Discuss or debate policy issues with your classmates; but do so in a polite and civic manner. You may find this course will be more enjoyable and you will probably learn more.

Recommended Readings outside Textbook

*Wall Street Journal*

*Los Angeles Times Business Sections*

*The Economist* (weekly magazine on international political economy)

**Topics and *Estimated* Timelines**

There are a total of 29 lecture periods (No class on Thursday, Nov. 24). The estimated timelines are as follows:

Topic 1**:** Introduction to economics, economic way of thinking, and the advantage of trade

Materials: Chapters 1, 2 and 3

Time: 3 lectures

Deliverables: no homework/no exam

Topic 2: How markets work: supply, demand, and government policies

Materials: Chapters 4, 5 and 6

Time: 7 lectures + 1 in-class exam

Deliverables: 2 homework sets/1 exam (end)

Topic 3: Markets and Welfare: taxes and tariffs

Materials: Chapters 7, 8 and 9

Time: 7 lectures + 1 in-class exam

Deliverables: 2 homework sets/1 exam (end)

Topic 4: When markets fail: Theory of Externalities and Public Goods

Materials: Chapters 10, 11 and 12

Time: 6 lectures

Deliverables: 1 homework set/1 paper (end)

Topic 5: Introduction to industrial organization

Materials: Chapters 13 and 14

Time: 4 lectures

Deliverables: 1 homework set/1 exam (end)

***This schedule and order is subject to change at any time during the semester.***

1. I know there might be an incentive for students to “collude” and collectively not study hard, since (you think) your grade is determined based on the relative ranking. This is not only an academic dishonesty, but also an incorrect idea. Your grade depends on BOTH the actual % and the relative ranking. [↑](#footnote-ref-1)
2. From the 1995 [*Random House Compact Unabridged Dictionary*](http://en.wikipedia.org/wiki/Random_House_Dictionary_of_the_English_Language): Plagiarism is the use or close imitation of the language and thoughts of another author and the representation of them as one's own original work. [↑](#footnote-ref-2)