

# Course Syllabus

## Economics 110: Principles of Microeconomics, Spring 2012

California State University, Channel Islands

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Class time: T/TH 9:00 – 10:15 am  
 Office hours: T 10:30 – 11:30; TH 1:30 – 2:30 pm  
 Class location: Bell Tower 2505

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

Paper: 1 week after Part 1 conclusion (~ week of February 6)  
 Exam 1: 1 week after Part 2 conclusion (~ week of February 27; *non-cumulative*)  
 Exam 2: 1 week after Part 3 conclusion (~ week of April 2; *non-cumulative*)  
 Exam 3: 1 week after Part 4 conclusion (~ week of April 30; *non-cumulative*)  
 Exam 4: Tuesday, May 15, 8:00 - 10:00 a.m. (Part 5 only; *non-cumulative*)

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

Chapters Covered: Chap 1 – 13, Chap 17, and Chap 22 (last section)

### Grading System:

Your grade for the course is based on homework (6), paper (1), and exams (4) in the following way:

Task	Percent of grade (%)
Homework assignments (4)	28
Exam 1	16
Exam 2	16
Exam 3	16
Final exam (Exam 4)	16
Paper	8

The final course grade depends on (1) sum of weighted % you earn from the tasks (best = 100%); (2) your relative ranking in the class<sup>1</sup>. 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.

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<sup>1</sup> 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.

## 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 microeconomic principles; examines their applications to the decisions of both consumers and producers; and evaluates the consequences of those decisions for society as a whole. 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. Additionally, the course examines situations where private markets do not result in a socially optimal outcome and the policy recommendations to correct them. 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 (parts):

- Part 1: Introduction to economics, economic way of thinking, and the advantage of trade
- Part 2: How markets work: supply, demand, and government policies
- Part 3: Markets and Welfare: taxes and tariffs
- Part 4: When markets fail: Theory of Externalities and Public Goods
- Part 5: 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.
- Thoroughly understand and competently apply the supply-demand framework in analyze economic issues
- 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

## Exams

There will be NO make-up exams. If you miss more than one of the scheduled exams, you will be at a high risk for receiving a poor to failing final grade, even if you do well in 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 2<sup>nd</sup> half of the course if one does not learn well the materials covered in the 1<sup>st</sup> half; the 1<sup>st</sup> half is the pre-requisite for the 2<sup>nd</sup>. It will be a big mistake to think one can procrastinate learning until 2<sup>nd</sup> half of the course and still receive a decent grade.

All 4 exams contain multiple choice questions and short essay questions. The exact distribution may vary between exams, but generally essay questions do not constitute more than 1/2 of the total points in an exam.

All exams are close-book, with only pens/pencils, calculators, and blank scratch papers allowed. No cell phones.

Unless significant changes occur during the course, you should expect all exams to be on Tuesdays (exact date TBD).

## Homework assignments

There will be a total of four (4) homework sets in this course. Except for Part 1, there will be one (1) homework set corresponding to each part of course. Instead of homework at the conclusion of Part 1, you will be asked to turn in a paper (more on this later). Most homework sets cover multiple chapters (typically 5 questions for each chapter), and questions will be selected in the back of each chapter and assigned when a chapter is completed. Each homework set is due at the conclusion of each part, and on the Thursday before the exam which will be on the following Tuesday.

Please turn in your assignments at class time or at my office or, *as a last resort*, in the **Digital Drop Box** under the Course Tools link or email **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.

*Though each HW set contains multiple chapters, it is highly recommended that you complete the questions after each chapter, rather than waiting till the entire part is finished. This will allow you the time to recognize what materials in a chapter you are having difficulty with, and to seek help before it is too late.*

*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”.*

*Please also make a copy of every homework set you turn in. Because the time between HW due and exam is short (Thursday to following Tuesday), you will not be able to get the graded HW back before the exam. Instead, I will post the official solutions online over the weekend so you can check your answers.*

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 majoring in economics. Students from my previous classes have almost universally given the tutoring services 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 8% of your total score. Contrary to what you might have been used to, the paper is due in the beginning part of this course. In fact, it is the first deliverable from you in this class. The paper must be submitted typed, 2 - 3 pages long (double space, font size=12).

The paper topic is “**Why Are You Going to College?**” You are expected to provide economically sound answers based on the economic principles we will learn during the first 2 lectures of this course (e.g., “Partying” is not considered an intelligent answer). You are encouraged to do some background research (online included), as long as you *properly reference the sources of your information or arguments*. I recognize for many this is your first (and perhaps only) economics class, so I am not expecting any award winning master piece. I hope through the process of writing the paper, you may get a more organized and rational idea of why you are here at CSUCI.

### Class attendance and participation

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

### Cheating

Don't cheat. If I catch you looking at someone else's exam or at notes (hardcopy or electronic) 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.<sup>2</sup>

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<sup>2</sup> From the 1995 [Random House Compact Unabridged Dictionary](#): 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.

### 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 (e.g., Calling a democrat “socialist” or a republican “redneck” is not a civic or productive discussion, but an emotional hyperbole). 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 30 lecture periods. The estimated timelines are as follows:

Part 1:	Introduction to economics, economic way of thinking, and the advantage of trade
Materials:	Chapters 1, 2 and 3 + Chapter 22 (page 480 – 485)
Time:	3 lectures
Deliverables:	<b>paper due (week of February 6)</b> <b>Paper topic: Why Are You Going to College?</b>
Part 2:	How markets work: supply, demand, and government policies
Materials:	Chapters 4, 5 and 6
Time:	7 lectures + 1 in-class exam
Deliverables:	<b>Homework set 1 (due the week of Feb 20) +</b> <b>1 exam (week of Feb 27)</b>
Part 3:	Markets and Welfare: taxes and tariffs
Materials:	Chapters 7, 8 and 9
Time:	7 lectures + 1 in-class exam
Deliverables:	<b>Homework set 2 (due the week of March 26) +</b> <b>1 exam (week of April 2)</b>
Part 4:	When markets fail: Theory of Externalities and Public Goods
Materials:	Chapters 10, 11 and 12
Time:	6 lectures + 1 in-class exam
Deliverables:	<b>Homework set 3 (due the week of April 23) +</b> <b>1 exam (week of April 30)</b>
Part 5:	Introduction to industrial organization
Materials:	Chapters 13 and 17
Time:	4 lectures
Deliverables:	<b>Homework set 4 (due the week of May 7) +</b> <b>1 exam (May 15)</b>

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