Principles of Microeconomics, Spring 13

Economics 110

Lecturer: Dr. Niklas Hunter

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Office hours: T 11:00 – 1:00pm

Class time: Class location:

T/R 1:30 – 2:45pm DEL NORTE 1555

Exam 1: Thursday, Feb. 14th (in class)

Exam 2: Thursday, March 14th (in class)

Exam3: Tuesday April 30th (in class)

Final exam: Tuesday, May 14th: 1:00 - 3:00pm

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

Required text: Principles of Microeconomics (6th ed.), N. Gregory Mankiw

(South-Western Cengage Learning) 2011.

Grading system

Your grade for the course is based on homework and exams in the following way:

|  |  |
| --- | --- |
| Task | Percent of grade |
| Homework assignments | 20 |
| Exam1 | 15 |
| Exam2 | 15 |
| Exam3 | 15 |
| Final Exam | 35 |
| Total | 100 |

Grades for total points from the homework and exams will be assigned according to the following distribution:

90%-100%: A+, A, A-

80%-89%: B+, B, B-

70%-79%: C+, C, C-

60%-69%: D+, D, D-

0%-59%: F

I may also adjust the scores to account for the difficulty of the exams. For example, if few people get a final score above 90% because of difficult exams, then I will give out more As to account for difficultly of the exams. In this case, I typically assign a median (midpoint) grade of a B-/C+.

Exams

There will be no make-up exams, so if you can not attend class on the scheduled exam days, please do not enroll in this course for a letter grade. You are welcome to take the course for a pass-fail grade. Exams will include both multiple choice and “short-answer” questions, which are drawn from lecture notes, textbook reading and homework material. The final exam is cumulative.

Homework assignments

There are eight homework assignments, each equally weighted. Homework assignments are composed of the same type of question structure (and difficulty) as the exam questions. Homework assignments are composed of multiple choice, quantitative/short answer questions. These are designed to keep you from falling behind, and prepare you for the exams (as opposed to being “busy work”). Late homework will not be accepted. Some of the homework assignments will be turned in electronically via blackboard. However, several homework assignments must be handed in during the beginning of class on the date it is due. You may submit a homework assignment early, but never late. I will drop your lowest HW score. In other words, I will only count your best seven homework scores.

Group Presentations

Students will prepare and present review session material for one of the three exams (Exam 1, Exam 2 or Exam3 (each student/group presents only once during the semester). The presentations will occur in lecture on Tuesday Feb 12 (the lecture before Exam 1), in lecture on Tuesday March 12 (the lecture before Exam 2), and again in lecture on Thursday April 25. Each student can work in a group of up to 4 students (ideally 3 students/group). The presentation is mandatory, and both a group and a chapter must be selected by the end of the third week. The chapters are available on a first-come first-serve basis. I will have a signup sheet with me every lecture. Please note that these presentations are to help you, your group members, and the rest of the class prepare for an exam. The presentations should be approximately 10-15 minutes long, include a visual instrument (i.e.Powerpoint slides, prepared questions and solutions, jeopardy style game, etc.), and emphasize the material we have covered in lecture. You are given the freedom to choose how to present the material, and I highly suggest preparing questions that are similar (but not identical) to homework questions. The idea is to make the presentation interactive and informative, and moreover, to help everyone prepare for the exams. The list of available chapters is on the course schedule (last page). Chapters 1, 2, and 21 are not available.

Attendance & class participation

Attendance at lectures is crucial for success in this class. I will take role each week to keep track of your attendance. Regular class participation should positively affect your grade, particularly if you are on the borderline between two grades. For example, if you are at the cutoff between a B+/A-, regular class participation would boost your course grade to an A-.

Course overview

This course applies economic reasoning to the decisions of both consumers and producers and examines the consequences of those decisions for society as a whole. The main objective of the course is to help you understand the rationale of economic decision makings by the individual and the firm and to understand how the market operates. Complex economic relations will be synthesized into simple and manageable economic models. The organization of markets and its implications for firm behavior are also examined. Then, real world examples and current issues are used to explain the theory. Moreover, the process by which these markets reach equilibrium is explored. Finally, it will be established that government involvement and intervention in the market are legitimized only when the market fails to function efficiently on its own.

Microeconomics is the study of decisions that people and businesses make regarding the allocation of resources and prices of goods and services. The main objective is to help you understand the rationale of economic decision makings by the individual and the firm and to understand how the market operates. The course focuses on the behavior of the small economic units and describes how an individual makes a purchase decision or how a firm sets the prices of its products. Therefore, we will focus on the supply and demand and other forces that determine the price levels seen in the economy. The course will alert you to the implications of microeconomics situations for managerial and personal decisions you will be making in the years ahead. The organization of markets and its implications for firm behavior are also examined. Moreover, the process by which these markets reach equilibrium is explored. Finally, it will be established that government involvement and intervention in the market are legitimized only when the market fails to function efficiently on its own.

Student Learning Objectives:

• 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

Cheating

Do not cheat. If you are caught looking at another student’s exam (or any other form of cheating), you will receive an F on that exam. Any case of cheating will be referred to Judicial Affairs. Working with classmates on homework assignments, however, is not cheating and is encouraged.

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# Disability Accommodations

# *Cal State Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The mission of Disability Accommodation Services is to assist students with disabilities to realize their academic and personal potential. Students with physical, learning, or other disabilities are encouraged to contact the Disability Accommodation Services office at (805) 437-8510 for personal assistance and accommodations.*

**Course Schedule: See Next Page.**

Course Schedule: Subject to changes as necessary through the semester. For example, I may push a HW due date back, but never forward.

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| --- | --- | --- | --- |
| **Date** | **Lecture topic** | **Textbook reading** | **HW Due** |
| 22 Jan. | Introduction, Thinking Like an Economist. | Ch1, Ch2 |  |
| 24 Jan. | Supply & Demand | Ch4 |  |
| 29 Jan. | Supply & Demand | Ch4 |  |
| 31 Jan. | Elasticity | Ch5 | HW1 |
| 5 Feb. | Elasticity | Ch5 |  |
| 7 Feb. | Supply, Demand & Govt. Policies | Ch6 | HW2 |
| **12 Feb.** | **Review Session** | **Ch 4, 5, & 6** | **Group Presentations** |
| **14 Feb** | **Exam1** | **Ch1, 2, 4, 5, & 6** |  |
| 19 Feb | Hand Back Exam1, Consumers, Producers, and the Efficiency of Markets | Ch7 |  |
| 21 Feb. | Consumers, Producers, and the Efficiency of Markets | Ch7 |  |
| 26 Feb. | Externalities | Ch10 |  |
| 28 Feb. | Externalities | Ch10 | HW3 |
| 5 Mar. | Public Goods & Common Resources | Ch11 |  |
| 7 Mar. | Public Goods & Common Resources | Ch11 | HW4 |
| **12 Mar.** | **Review Session** | **Ch7, 10, & 11** | **Group Presentations** |
| **14 Mar.** | **Exam2** | **Ch7, 10, & 11** |  |
| **19 Mar.** | **No Class** | **Spring Break** |  |
| **21 Mar.** | **No Class** | **Spring Break** |  |
| 26 Mar. | Hand back Exam2, The Costs of Production | Ch13 |  |
| 28 Mar. | The Costs of Production | Ch13 |  |
| 2 Apr. | Firms in Competitive Markets | Ch14 |  |
| 4 Apr. | Firms in Competitive Markets | Ch14 | HW5 |
| 9 Apr. | Monopoly | Ch15 |  |
| 11 Apr. | Monopoly | Ch15 | HW6 |
| 16 Apr. | Monopolistic Competition | Ch16 |  |
| 18 Apr. | Oligopoly | Ch17 |  |
| 23 Apr. | Oligopoly | Ch17 | HW7 |
| **25 Apr.** | **Review Session** | **Ch 13, 14, 15, 16, &17** | **Group Presentations** |
| **30 Apr.** | **Exam3** | **Ch 13, 14, 15, 16, &17** |  |
| 2 May | Hand back Exam3, The Theory of Consumer Choice | Ch21 |  |
| 7 May | The Theory of Consumer Choice | Ch21 |  |
| 9 May | The Theory of Consumer Choice and Dr. Hunter’s review for the Final Exam | Ch21 | HW8 |
| **14 May** | **Final Exam** | **Cumulative** |  |