

Principles of Microeconomics
Spring 2007
Professor Mary Hansen

208 Roper, phone 885-3793, e-mail: mhansen@american.edu
Spring 2007 Office Hours: MTh 1:30-3:30, Th 5-5:30, and by appointment
You will find a copy of syllabi on my home page:
<http://academic2.american.edu/~mhansen/>

Relax! Don't listen to what other people tell you about econ courses! Throw any negative previous experiences out the window! Ours is an immensely fun class. But it is an immensely busy one. In one short term, just a few brief weeks, you will learn the basics of economic analysis—and it will change the way you look at your world.

The goal of Principles of Microeconomics is to explore how an economist views the way people make choices, and to work through the implications of the economist's view. We will look at the choices of individuals and households, and we will look at the choices of firms and governments. We will develop a systematic way of describing how choices are made, and we will follow through with a systematic analysis of how choices change when circumstances change.

Some of you might be so impressed by the economist's view of the world that you adopt it as your own. I did. Others of you might come to believe that the economist's view is hogwash. That's fine, too. The economist's view is one way to look at the world. It is not the only way. But, just as in your philosophy class you learn the tenets of philosophies that you might not espouse in order that you might be knowledgeable about others' perspectives, in Principles of Microeconomics you will learn about a view that influences the world around you.

Because this course moves fast, it is imperative that you (a) keep up with the reading, (b) do the quizzes and problems in the text, and (b) ask me a question as soon as there is a point that needs clarification.

Please allow me a few words about teaching and learning: I don't usually lecture, at least not in the usual sense of the term. A typical class meeting will start out with time for questions, then move on to problem-solving, activities, or discussion intended to reinforce the main point of the reading. This approach to teaching has many advantages. It's more fun. It's seldom boring. We get to know each other. We get to learn from each other. We remember the main points more clearly. But this approach to teaching requires active participation, during and especially between each class meeting. We must read in advance or the in-class problems and activities can't do their jobs. We must prepare questions about the reading or the Q&A times can't do their job. Past students tell me that the methods of teaching and learning utilized in this class take some adjustment—their many successes tell me it's worth it.

Specific Learning Objectives:

Students will apply the logic of marginal analysis to the following situations:

1. Competitive market equilibrium for a product or service
2. Individual/household demand for a product or service
3. Individual/household supply of labor
4. A competitive firm's supply of a product or service
5. A competitive firm's demand for an input
6. A monopolist's pricing and output decisions

Students will use partial equilibrium analysis to explain the outcome (in terms of price and quantity) of the following situations:

7. A change in determinants of demand
8. A change in determinants of supply
9. The imposition of a tax
10. The imposition of a price control
11. A bill currently before Congress

Students will use welfare analysis to explain the outcome (in terms of efficiency and redistributive effects) of the following changes in circumstances:

12. The imposition of a tax
13. The imposition of a price control
14. A bill currently before Congress

Students will

15. Articulate at least one objection to mainstream economics.

Text: N. Gregory Mankiw, *Principles of Microeconomics*. Mankiw's twin goals in writing the book were clarity and brevity. Gotta like that. You may use any edition of the book. I recommend the using the web site for students that is referenced in the book.

Exams: There are three in-class midterm exams and a cumulative final, see attached course schedule. Your three highest exam grades count towards your course grade; your lowest exam grade will be dropped. The format is multiple choice, and exams are approximately 45 questions long. Exam conflicts must be resolved at least one full week before a scheduled exam. Exam make-ups due to extreme emergency (we are talking serious, documentable emergency here) must be taken within one week of the missed exam. Each exam counts for one-third of the course grade.

Standards of Evaluation: A grade of "A" is earned through superior work and unceasing effort; a grade of "B" is earned through excellent work and consistent effort; a grade of "C" is earned for satisfactory work and reasonable effort; a grade of "D" is earned for incomplete and/or unsatisfactory work demonstrating little effort; a grade of "F" is earned through unsatisfactory work and absence of effort.

Academic Integrity: Standards of academic conduct are set forth in the University's Academic Integrity Code. Any violations of the Code will be treated seriously. Please see me if you have any questions about how the Code relates to particular requirements for this course.

General Education Information: Principles of Microeconomics is a second-level course in Area 4, Social Institutions and Behavior, of the University's General Education Program.

Course Schedule:

Date	Reading
1-18	Intro and warm-up
1-22	Ch. 1 & 2
1-25	Ch. 3
1-29	Ch. 4
2-1	Ch. 5
2-5	Ch. 6
2-8	Ch. 7
2-12	Ch. 8 & 9
2-15	Review
2-19	Exam 1
2-22	No class meeting—Eastern Economic Association Conference
2-26	Ch. 10 & 11, begin 13
3-1	Ch. 13
3-5	Ch. 14
3-19	Ch. 14, continued
3-22	Ch. 15-16
3-26	Ch. 17
3-29	Review
4-2	Exam 2
4-5	Ch. 18-19
4-9	Ch. 20
4-12	Ch. 21
4-16	Ch. 21
4-19	Review
4-22	Exam 3
4-26	Ch. 22
4-30	Review
Check online	Final Exam