

Economics 200

**Principles of Microeconomics**

Spring 2008

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Office Hours: Tuesdays and Fridays, 1:00-2:00  
Wednesdays, 2:30-5:15  
And by appointment

**COURSE DESCRIPTION:** This course is an introduction to the basic principles of microeconomics. While in macroeconomics you studied the economy as a whole, in this class we will analyze the choices of individual actors in the economy. For example, how do people choose where to eat on a Friday night? Why is it usually less expensive to travel on the weekends compared to weekdays? Why do drive-up ATM machines include instructions in Braille? We will study the goals of consumers, firms and the government, and the optimal way to go about obtaining these goals. By the end of the class you should be able to use critical thinking skills and economic reasoning to analyze and critique not only your own decisions but also the decisions of firms and the government.

Microeconomics is one of the second level courses in Curricular Area 4, Social Institutions and Behavior, in the university's General Education Program. This second-level course is linked with four Foundation courses: COMM-100G Understanding Mass Media, ECON-100G Macroeconomics, GOVT-110G Politics in the United States, and SOCY-150G Global Sociology. General Education credit will be given only if the prerequisite Foundation has been taken for this course.

**TEXT:** The main text for the course is Gregory Mankiw, *Principles of Microeconomics* (Thompson Southwestern, 2006), Fourth Edition. The text is a reference, but not a substitute for lectures. The problems at the end of the chapters are useful for practice problems beyond those assigned in class.

**GRADING:**

Class Participation	10%
Class Project ( <i>See Attached Description</i> )	20%
Midterm 1 ( <i>February 22</i> )	20%
Midterm 2 ( <i>April 8</i> )	20%
Final Exam ( <i>May 6</i> )	30%

Exams will only be given on the scheduled dates. Acceptable reasons for missing an exam are incapacitating illness, participation in a university-sponsored intercollegiate competition, or family emergency. If you miss one of the exams, you should inform me of your excuse within one week of the exam. No make-up exams will be given, but if you have an acceptable excuse your other scores will be scaled up proportionately. If

your excuse is unacceptable, your grade will be similarly adjusted but subject to a 25 percent penalty.

I will post “homework assignments” on the course blackboard page following the completion of each topic. Problems will range from traditional problem solving exercises to discussions on economic issues of interest. They are designed to strengthen your quantitative skills, hone your ability to use economic reasoning, and improve your ability to express this reasoning in writing. These assignments will not be graded, but understanding often comes through working on these assignments, and they will help prepare you for the exams.

Standards of academic conduct are set forth in the University’s Academic Integrity Code. Violations of the Academic Integrity Code will not be treated lightly, and disciplinary actions will be taken should such violations occur.

#### **COURSE SCHEDULE:**

##### **Introduction (January 15-18)**

*The Approach of Economics*

Reading: Chapters 1 - 2

*The Gains from Trade*

Reading: Chapter 3

##### **Supply and Demand (January 22-March 7)**

*Allocation by Price: The Theory of Supply and Demand and Elasticity*

Reading: Chapters 4-5

*The Theory of Demand: Consumer Behavior*

Reading: Chapter 21, Chapter 7 pages 138-142

*The Theory of Supply: Business Firm Behavior*

Reading: Chapter 13-14, Chapter 7 pages 143-146

##### **Midterm #1 (February 22)**

*Equilibrium and Market Efficiency*

Reading: Chapter 7 pages 147-154, Chapters 6, 8, 12

*Equilibrium in Labor Markets*

Reading: Chapters 18-19

##### **Spring Break (March 11-April 15)**

**Market Imperfections and the Role of Government (March 18-April 4)**

*Monopoly Pricing and Imperfect Competition*

Reading: Chapters 15-17

*Externalities*

Reading: Chapter 10

*Public Goods*

Reading: Chapter 11

**Midterm #2 (April 8)**

*Imperfect Information*

Reading: Chapter 22, pages 484-489

**Presentations (April 18-25)**

**Final (May 6, 2:10-4:40)**