

**American University
Department of Economics**

ECON 200-008
Microeconomics
Fall 2008
M TH: 3:35-4:50 pm
Hurst 209

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Office Hours: TH: 2:30 – 3:30 pm
and by appointment

-Syllabus-

1. COURSE OBJECTIVES

ECO 200 is an introduction to microeconomic analysis. It addresses the satisfaction of important human wants through the market as well as non-market activities. It analyzes how market prices coordinate individual activities, with a detailed examination of producer and consumer choices and the analytical tools of supply and demand. The strengths and failures of competitive markets are evaluated, along with some of their implications for social action.

- 1) Predict the direction and magnitude of changes in equilibrium price and quantity for particular markets based on changes in supply and demand parameters;
- 2) Describe the importance to decision makers of price elasticity of demand and supply;
- 3) Distinguish the difference between cardinal and ordinal theories of consumer utility, and be able to use indifference analysis to graphically derive demand curves;
- 4) Describe verbally and graphically the impact on a firm's total revenue of a change in product price, noting the role played by the price elasticity of demand;
- 5) Demonstrate graphically the logical relationship between production constraints, such as technology and input prices, and the costs of production in the present, short-run, and long-run time periods;
- 6) Explain the impact of various market structures (e.g., perfect competition, monopoly, monopolistic competition, oligopoly) on product price, quantity produced, profits earned, and consumer welfare;

Teaching Method

Materials will be presented through lecture and class discussion. We will make extensive use of problems and graphical analysis of current issues as presented in various mediums. Learning is a proactive process that is the dual responsibility of the instructor and the students.

2. General Education Requirements

ECON 200 is one of nine second level courses in Curricular Area (Social Institutions and Behavior), Cluster 1 (Institutions) in American University's General Education Program. It is the second of a two course sequence. For students who have taken Macroeconomics, this course satisfies the General Education requirement for Social Institutions and Behavior.

3. GRADING POLICY

Quizzes: There will be 5 quizzes given throughout the semester. The quiz will cover a major topic discussed during a three week time period. Each quiz will be worth approximately 20 points.

Class project: This is a group project (probably groups of 5), whereby students will give a written and oral presentation that relates a current economic event and a portion of the class. Potential projects may relate to:

- Forms of competition (monopoly, oligopoly, cartels)
- Labor market issues (e.g. minimum wage laws)
- Consumer behavior
- Prices and taxes
- Market failure

The papers and presentation should include citations from published sources, which will primarily consist of newspaper articles and periodicals. Suggested newspapers include the *Wall Street Journal*, *The Washington Post*, *The Financial Times*, and *The Washington Times*. Suggested periodicals include *Business Week* and *the Economist*. I will occasionally hand out articles from these papers, which I view to be pertinent.

Participation: Students will be expected to come to class prepared to discuss and reflect upon the readings assigned that week. I will at times be looking for students to actively work with me to solve problems. Students will therefore be marked (a plus or a check) on their level of engagement in class throughout the semester. A plus indicates active participation, and a check is for average participation. If on average you received a plus grade then your final grade will be raised (e.g. A- to A).

Grading Scale

2 exams @ 100 points each	200
Group project	100
4 Quizzes	<u>80</u>
Total	380

Note: There are 5 quizzes, but I drop the lowest quiz.

Translating Number Grades to Letter Grades

<u>Letter</u>	<u>Number Range</u>
A	90 to 100
B	80 to 89
C	70 to 79
D	60 to 69
F	Below 60

Makeup Policy

There are no make-ups on quizzes. A student can take the quiz earlier under certain circumstances. For exams, I will give make-ups within three days, provided the student has a conflict, is sick, etc. Not being able to study for the exam is not a valid reason for not taking an exam. To take an exam after 3 days, there needs to be a special excuse (e.g. doctor's excuse).

4. REQUIRED TEXT

Colander, David, Microeconomics 7th Edition

Colander, David, and Landreth, Harry Classic Readings in Economics

I will occasionally distribute readings from the newspapers – *Financial Times*, *Washington Post*, and/or *Wall Street Journal*.

5. CLASS SCHEDULE

<u>Date</u>	<u>Reading Assignment</u>	<u>Assignment</u>	<u>Topics</u>
8/25 – 8/28	Chapter 1, 2, 3 <i>Readings Introduction And Economic Systems</i>	-	Economic Approach
9/4-9/11	Chapter 4,5 <i>Readings pp 9-19</i>	Quiz 1 (9/11)	Supply and Demand

9/15-9/18	Chapter 6,7 <i>Readings pp 131-136</i>	Ungraded HW	Elasticity
9/22-9/25	Chapter 8	Quiz 2 (9/25)	Consumer Behavior
9/29-10/2	Chapter 9,10	Ungraded HW / Review	Production Costs: Firm behavior
10/6	Chapter 11 <i>Readings pp 145-149</i>	Quiz 3 (10/6)	Perfect Competition
<i>No class 10/9 – Yom Kippur</i>			
10/13		Exam 1	
10/16 – 10/23	Chapter 12,13 <i>Readings pp 137-141</i>	Quiz 4 (10/23)	Market Structure
10/27-11/3	Chapter 14,15 <i>Readings pp 153-155</i>		Competition Policy
11/6-11/10	Chapter 16,17 <i>Readings pp 163-166</i>	Quiz 5 (11/10)	Labor markets and income distribution
11/13-11/20	Chapter 18,19,20 <i>Readings pp 160-162, 189, 190,194,195</i>		Market failure and government
11/24, 12/1, 12/4	Group presentations/papers due Review		
Exam schedule		EXAM 2	

6. AMERICAN UNIVERSITY HONOR PLEDGE

Standards of academic conduct are set forth in the University's Academic Integrity Code. By registering, you have acknowledged your awareness of the Academic Integrity Code. You should become familiar with your rights and responsibilities as defined by the Code. Violations for the Academic Integrity Code will not be treated lightly, and disciplinary actions will be taken should such violations occur. Please see me if you have any questions about the academic violations described in the Code in general or as they relate to particular requirements for this course.