In this course we will develop an understanding of the major topics in microeconomics as well as a working knowledge of many fundamental economic models. We will focus on applying theoretical economic concepts to practical problems. Topics will include the features of the American economy, demand and supply, pricing, theory of the behavior of consumers, the behavior of firms, the market system, and the distribution of income. In addition, we will devote considerable time to discussing current economic events such as the Microsoft case, environmental issues, on-line retailing, and taxes.

Economics 206 is as important fundamental course. It serves as the basis for Labor Economics, Public Economics, International Trade, Finance, Industrial Organization, Managerial Economics, Law and Economics, and much of cutting-edge macroeconomics. We will cover a number of topics – supply and demand, market structures, pricing. This is a difficult and rigorous course; failure to come to class or complete the homework assignments will soon put you in a very difficult situation. It is assumed you have a firm grasp of the mathematical techniques learned in Business Calculus (Math 204).


**Course Objectives:** By the end of the semester, there are a number of technical skills I hope you will acquire, including:

1. Understand the theoretical foundations of demand and supply curves;
2. Understand how different market structures influences firm decision-making;
3. Develop your ability to use demand and supply models to analyze economic activities and gain insight into consumer and producer behaviors;
4. Determine how to set prices for goods in different markets and the factors that influence those prices; and
5. Explain the idea of economic efficiency and understand how this relates to policy making.

In addition, I hope that you will develop a deeper understanding of economics, and be able to both think critically about economic information (in the news, in magazines, in data) and correctly identify how and when to apply different economic models to real world events, in order to gain greater understanding of why things happen. Thus, in addition to the above objectives, I hope you will

6. Be able to identify whether “good” economics is being used to explain economic events in the news. Is the reporter accurate? Is the politician correctly representing how the economy works?
7. Identify what model to apply to different market situations for corporations and companies, and be able to explain how that model influences your opinions of the correct business strategy for that type of firm.
8. Discuss how the global market place is changing how we understand economic decision-making and how we evaluate different policies and governmental programs.
9. Be able to explain what kind of data you would need to evaluate an economic policy or business plan.

**Grades** in this course will be based on performance, not need. There will be four exams, each worth 50 points. In addition, there will be homework assignments from MyEconLab. MyEconLab will be covered in the first
day. The points from MyEconLab will count as a test score, 50 points. There will be a pretest and posttest. The scores will be used for bonus points.

Important Notes:

- This class will not be curved. The grading is as follows:
  - 93+ A
  - 90-92.9 A-
  - 87-89.9 B+
  - 83-86.9 B
  - 80-82.9 B-
  - 77-79.9 C+
  - 68-76.9 C
  - 65-67.9 C-
  - 63-64.9 D+
  - 60-62.9 D
  - 50-59.9 D-
  - <50 F
<table>
<thead>
<tr>
<th>Week (begins with Monday)</th>
<th>Topics and Readings</th>
<th>Due on this Week</th>
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| Jan 30                   | *Introduction and Scarcity and Choice*  
                          | Read Chapters 1 and 2 |                  |
| Feb 6                    | *Supply and Demand*  
                          | Read Chapter 3        |                  |
| Feb 13                   | *Applications for Supply and Demand*  
                          | Read Chapter 4        |                  |
| Feb 20                   | *Externalities and Public Goods*     
                          | Read Chapter 5        | 1st Exam on Friday, Feb 24 |
| Feb 27                   | *Elasticity of Demand and Supply*    
                          | Read Chapter 19       |                  |
| March 5                  | *Consumer Choice*              
                          | Read Chapter 20       |                  |
| March 12                 | *Production and Costs*          
                          | Read Chapter 21 and 22 | 2nd Exam on Friday, Mar 16 |
| March 19                 | *Spring Break*                  
                          |                  |                  |
| March 26                 | *Perfect Competition*           
                          | Read Chapter 23       |                  |
| April 2                  | *Monopoly*                      
                          | Read Chapter 24       |                  |
| April 9                  | *Monopolistic Comp. And Oligopoly* 
                          | Read Chapter 25 and 26 | 3rd Exam on Friday, Apr 13 |
| April 16                 | *Regulation. And Antitrust*      
                          | Read Chapters 27      |                  |
| April 23                 | *Labor Market*                  
                          | Chapter 28 and 29     |                  |
| April 30                 | *Market Failure*                
                          | Read Chapter 30 and 31 |                  |
| May 7                    | *International Markets*         
                          | Read Chapters 32 and 33 | Final Exam on Friday, May 11 |