Economics 206  
Principles of Economics 1 (Micro)  
Wednesdays  
Spring 2012

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).

**Texts:** *Microeconomics* by Hubbard and O’Brien. You can get the book either from the university bookstore or on-line from a reputable book seller such as Amazon or Barnes and Nobel. The ISBN number is 0-13-034826-0. While there are several editions available, please get the 2nd edition. It’s not out of date, and it is by far cheaper than the newer ones.

In addition, we will be reading and discussion *The Lost Painting* by Jonathan Harr. I will provide everyone with a copy.

Also, you are required to purchase (find, borrow, etc.) an EXTREMELY basic calculator. If your calculator can do more than take a square root, it will not be allowed during the exam. Cell phones, computers, and other technologies are also prohibited during exams.

**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. A total of 500 points are available for the course.

- There are three exams, each worth 20% of your grade for a total of 60%
- Five homework assignments, each worth 3%, for a total of 15%. These are graded as 15 points for mostly correct; 10 points for partly correct and 5 points for mostly incorrect.
- Participation in five class discussion and essay assignments on The Lost Painting account for 20% of your grade. Each individual discussion/essay assignment accounts for 5% of your grade. Please see the separate grading sheet for discussions and essays.
- Completion of the Pre- and Post-test on D2L accounts for the remaining 5% of your grade.

Important Notes:

This class will not be curved. Students must earn at least 60% of the points in the course to pass.

SCALE

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<th>Grade</th>
<th>Minimum Percentage</th>
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<tr>
<td>A</td>
<td>100% - 93%</td>
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<tr>
<td>A-</td>
<td>92.99% - 90%</td>
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<tr>
<td>B+</td>
<td>89.99% - 87%</td>
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<tr>
<td>B</td>
<td>86.99% - 83%</td>
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<tr>
<td>B-</td>
<td>82.99% - 80%</td>
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<tr>
<td>C+</td>
<td>79.99% - 77%</td>
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<tr>
<td>C</td>
<td>76.99% - 72%</td>
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<tr>
<td>C-</td>
<td>71.99% - 68%</td>
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<tr>
<td>D+</td>
<td>67.99% - 67%</td>
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<tr>
<td>D</td>
<td>66.99% - 62%</td>
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<tr>
<td>D-</td>
<td>61.99% - 60%</td>
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Incompletes will only be given in accordance with the rules listed in your student handbook. In addition, I require that for an incomplete, you must have completed a minimum of 50% of the course work and be passing at that point.

Course Policies

Policy on Homework and Exams:

1. In class assignments, discussions, and homework are designed to help you learn how to apply the material presented in lectures. You are permitted and encouraged to discuss course material, including homework, with other students. However, you are expected to turn in your own individual solutions. Working with others is intended to clarify ideas, concepts, or technical questions, NOT to simply get the correct answer. Remember the
homework is only 20% of your grade, if you take short cuts, it will catch up with you during the exam.

2. During exams the use of cellular technologies and computers are expressly prohibited, as are graphing calculators.

Attendance Policy:

Attendance is not mandatory, but promptness is required. Overall, your presence in class is highly recommended, and there will be points available in class on some days. **It will not be possible to make up points missed in class.** In addition, attending class regularly can only benefit your overall class performance. **It is your responsibility to keep informed of class announcements or course changes that may be made during lectures.** Attendance will be occasionally taken for my records. Also, entering class late or leaving early is extremely rude and disruptive to your classmates and the flow of the lecture. If you must leave class early please notify me prior to the beginning of the session.

Points are available for the 6 in class discussions. In addition, the essay assignments should be directly related to the class discussion; students not in attendance will find scoring well on the essays difficult.

Honor Code:

All honor code rules of the university are in effect – even if not explicitly mentioned on each assignment/exam.

Expectations and General Orientation:

- The course will typically cover two chapters from the textbook in a typical week. This is a lot of material; you need to be prepared to put in significant time during the week to compensate for the one-evening a week format of the class.

- Students are asked to come to class prepared. At the least, please skim over your notes from the last class session to remind yourself where we are. Obviously, it would be better if you would do more than that—read all assignments, study your notes, identify questions you have, etc.

- Please come to my office hours or make an appointment to resolve any concerns or difficulties you may have at any point during the semester. The sooner you approach me about concerns the better off you will be and the easier they will be to resolve.
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<th>Wednesday</th>
<th>Topics and Readings</th>
<th>Due on this Week</th>
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| January 30 (Week 1) | *Introduction and Scarcity and Choice*  
Read Chapters 1 and 2  
Read Part 1 of *The Lost Painting* |                                                      |
| February 6 (Week 2) | *Supply and Demand*  
Read Chapter 3 | Complete the D2L Pretest Micro Assessment by Friday, Feb. 8th at midnight.  
Book Discussion 1 |
| Feb. 13 (Week 3) | *Price Floors and Price Ceilings; International Trade*  
Read Chapters 4 & 8 | Essay 1 due in Class  
Homework 1 due by Friday February 15 at 5pm (electronic is ok; pdf or Word only, NOT jpg) |
| Feb. 20 (Week 4) | *Elasticity of Demand and Supply & Consumer Choice and Behavior*  
Read Chapters 6 & 9 | Homework 2 due by Friday, Feb. 22 at 5pm |
| Feb. 27 (Week 5) | Read Chapters 1 to 15 in Part II of *The Lost Painting* | Exam 1 on Wednesday, Feb. 27 in class.  
Review is from 6 to 6:45pm. Exam starts at 7pm. |
| March 6 (Week 6) | *Firms and Organization; Start Production and Costs*  
Read Chapters 7 and 10 | Book Discussion 2 |
| March 13 (Week 7) | *Production and Costs*  
Read Chapter 10 | Essay 2 due in class |
| March 20 | **SPRING BREAK**  
Read chapters 16 to 20 in Part II of *The Lost Painting* and chapters 1 to 7 in Part III of *The Lost Painting* |                                                      |
| March 27 (Week 8) | *Perfect Competition*  
Read Chapter 11 | Book Discussion 3  
Homework 3 is due by Friday, March 29 at 5pm |
| April 3 (Week 9) | *Monopoly and Anti-trust*  
Read Chapters 14 & 15 | Essay 3 due in class  
Homework 4 is due by Friday, April 5 at 5pm |
| April 10 (Week 10) | Read Chapters 8 to 17 in Part III of *The Lost Painting* and all of Part IV | Exam 2 on Thursday, April 10 in class; review from 6 to 6:45pm. Exam starts at 7pm. |
| April 17 (Week 11) | *Monopolistic Comp. And Oligopoly*  
Read Chapters 12 and 13 | Book Discussion 4 |
| April 24 (Week 12) | *Labor Markets*  
Read Chapter 16 | Essay 4 due in class |
| May 1 (Week 13) | *Labor Market & Income Inequality*  
Read Chapters 16 and 18 | Homework 5 due Friday, May 3 by 5pm  
Complete the D2L post-test by Friday, May 3 |
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<th>May 8 (Week 14)</th>
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<td>Exam on Wednesday, May 8 in class; review from 6 to 6:45pm. Exam starts at 7pm.</td>
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