

Course Title: Introduction to Economics: Microeconomics
Course Number: ECON 201
Credit Hours: 5
Prerequisites: 30 prior college credits recommended.
Meeting times: Monday, Wednesday; 3:00pm-5:10pm

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Instructor name: Bruce Christopherson
Social Sciences Division Office: D110
Office location: A 200A
Office phone number: 564-2057
Office hours: By Appt.
Email: bchristo@bellevuecollege.edu

Textbook: Microeconomics, 9th ed., Colander
Supplementary material: Practice test package

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Course description: Investigates the economic forces behind pricing and production decisions, wages, structure of labor markets, and distribution of income. Students evaluate government intervention in markets and analyze environmental degradation, welfare policy, tax systems, poverty, and discrimination from an economic perspective.

Course Outcomes

By the end of the quarter, students will be able to do the following:

- Be able to evaluate economic examples as they related to personal incentives, voluntary exchanges, and to recognize the key concept of opportunity cost.
- Be able to set-up and identify, both graphically and in words, a competitive market model's associated components and outcomes (demand, supply, price, equilibrium) and their link to utility theory, and various production decisions
- Apply the basic model's approach to factor markets
- Expand the basic model to address elements of market failures
- Be able to calculate both marginal and average values for a variety of data sets and be able to use them appropriately within decision-making evaluations of choices.
- Understand the value of the competitive market model's outcome as a benchmark for evaluating more realistic models of industrial organization and government activity.
- Recognize and apply 'economic thinking' to various policy issues and applied problems, incorporating appropriately both positive and normative elements of analysis, with measures of efficiency and equity.

In addition, students may be introduced to a subset of the following:

- Elasticity as a measure of quantity's responsiveness to changes in prices or income
- Coase Theorem and transaction costs as they pertain to market failures
- Maximizing behavior and the limitations of rationality assumptions for households, firms and government agents.
- Discuss, in depth, alternative mechanisms of allocation beyond the market mechanism of the price signal.

"2" in Gen Ed ratings for "Critical Thinking" and for "Quantitative and Logical Reasoning" and "Writing" as well as 1s in 7 other areas

Course topics to be covered:

| <u>Topic</u> | <u>Chapter</u> | <u>Topic</u> | <u>Chapter</u> |
|----------------------------|----------------|--|----------------|
| <u>Overview</u> | | <u>Demand</u> | |
| Introduction | 1 | Price Elasticity | 6 |
| Macro vs Micro | | Elastic vs. Inelastic Determinants | |
| Scarcity & Choice | 1 | Income Elasticity | 6 |
| Opportunity Costs | | Cross Price Elasticity | 6 |
| Positive vs Normative | 1 | Utility Theory | 19 |
| Production Possibilities | 2 | Marginal Utility | |
| Production Constraints | | Total Utility | |
| | | Utility Maximization | 19 |
| <u>Supply & Demand</u> | | <u>Business Forms</u> | 3 |
| <u>Markets</u> | | Business Forms | |
| Comparative Advantage | 2, 9 | Proprietorship | |
| Demand | 4 | Partnership | |
| Determinants | | Corporation | 334-338 |
| Demand Schedule & Curve | | <u>Production Costs</u> | |
| Change in Demand | | Productivity & Cost | |
| Normal vs Inferior | | Production Function | 11 |
| Substitute vs Complement | | Marginal Product | 11 |
| Supply | 4 | Costs | 11 |
| Determinants | | Total Cost | |
| Supply Schedule & Curve | | Marginal Cost | |
| Change in Supply | | Average Cost | |
| Market Equilibrium | 4 | Avg Cost & MC relation | |
| Supply & Demand | 4 | Econ. vs Acctg. Profits | |
| Price & Allocation | | Economies of Scale | 12 |
| Labor Markets | | | |
| Price Ceilings | 5 | | |
| Price Floors | 5, 17 | | |
| Midterm 1 | | Midterm 2 | |
| | | | |
| <u>Competitive Firms</u> | | <u>Imperfect Markets</u> | |
| Competitive Firms | 13 | Oligopoly | 15 |
| Revenue | 13 | Demand Curve | |
| Profit Maximization | 13 | Market Outcomes | |
| Shut Down Decision | | Monopolistic Competition | 14 |
| Tax Effects | not in text | | |
| Property Tax | | <u>Financial Markets</u> | |
| Payroll Tax | | Financial Markets | |
| Income Tax | | Present & Future Value | 17W |
| <u>Competitive Markets</u> | | http://highered.mcgraw-hill.com/sites/0078021707/student_view0/web_chapters.html or http://highered.mcgraw-hill.com/sites/0078021707/information_center_vie_w0/ | |
| Characteristics | 13 | | |
| Econ. vs Acctg Profit | | <u>Externalities & Environment</u> | |
| <u>Monopoly</u> | | Pollution | 164-170 |
| Non-competitive Industries | | Market Incentive | |
| Monopoly | 14 | Pollution Reduction Options | |
| Monopoly vs Competition | | | |
| Barriers to Entry | | | |
| Monopolist Incentive | | | |
| Pros and Cons | | | |
| Price Discrimination | 14 | | |
| Midterm 3 | | Final (cumulative) | |

Approximate exam dates:

- Midterm 1; Oct. 14 (tentative)
- Midterm 2; Nov. 4 (tentative)
- Midterm 3; Nov. 25 (tentative)
- Final; Dec. 9

- Commented [b3]: 8th class night
- Commented [b4]: 13th class night
- Commented [b5]: 18th class night

Approximate paper due dates:

- Paper 1; Sep. 30 (tentative)
- Paper 2; Oct. 19 (tentative)
- Paper 3; Dec. 2 (tentative)

- Commented [b6]: 4th class night
- Commented [b7]: 9th class night
- Commented [b8]: 20th class night
- Commented [b9]: Print without comments by: File, print. Under settings, click arrow by Print All Pages. Click Print Markup.

Number of exams: 4

Types of exams: Multiple choice

Other graded material/assignments: 3 papers

Percentage points for course grade:

| | |
|---------------------------------|-------------|
| Midterm 1; | 16% |
| Midterm 2; | 16% |
| Midterm 3; | 16% |
| Final; | 26% |
| Paper 1; | 7% |
| Paper 2; | 7% |
| Paper 3; | 7% |
| Class participation; | 5% |
| <u>Total percentage points;</u> | <u>100%</u> |

Makeup exams: One makeup midterm is allowed by arrangement prior to the missed test, but one point will be deducted from the score. If a midterm is missed without prior arrangement, that test grade will be replaced with a grade 1.0 lower than the lowest grade of the other 3 tests (2 midterms and final). The final must be taken in order to receive credit for the course.

Cell phones or other electronic devices (other than a regular calculator) are not allowed in tests. Cheating on an exam will result in a failing grade for the class.

Example calculations of course grade:

This person got a 2.4, 3.1, and 2.6 on the 3 midterms, 2.4 and 3.4 on the papers, 3.3 on the final, and a 2.9 for class participation. The course grade is calculated as:

$$.16 \times (2.4 + 3.1 + 2.6) + .105 \times (2.4 + 3.4) + .26 \times 3.3 + .05 \times 2.9 = 2.9$$

Decimal-letter grade conversion

| | | | |
|-------------|----|-------------|----|
| 3.8 - 4.0 | a | 1.8 - 2.199 | c |
| 3.5 - 3.799 | a- | 1.5 - 1.799 | c- |
| 3.2 - 3.499 | b+ | 1.2 - 1.499 | d+ |
| 2.8 - 3.199 | b | 0.8 - 1.199 | d |
| 2.5 - 2.799 | b- | 0.5 - 0.799 | d- |
| 2.2 - 2.499 | c+ | | |