

Course Title: Introduction to Economics: Microeconomics

Course Number: ECON 201

Credit Hours: 5

Prerequisites: 30 prior college credits recommended.

Meeting times: Monday, Wednesday; 5:30pm-7:40

Instructor name: Bruce Christopherson

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Textbook: Microeconomics, 9th ed., Colander

Supplementary material: Practice test package

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	
Scarcity & Choice	1	Determinants	
Opportunity Costs		Income Elasticity	6
Positive vs Normative	1	Cross Price Elasticity	6
Production Possibilities	2	Utility Theory	19
Production Constraints		Marginal Utility	
		Total Utility	
<u>Supply & Demand</u>		Utility Maximization	19
Markets		<u>Business Forms</u>	3
Comparative Advantage	2, 9	Business Forms	
Demand	4	Proprietorship	
Determinants		Partnership	
Demand Schedule & Curve		Corporation	334-338
Change in Demand			
Normal vs Inferior		<u>Production Costs</u>	
Substitute vs Complement		Productivity & Cost	
Supply	4	Production Function	11
Determinants		Marginal Product	11
Supply Schedule & Curve		Costs	11
Change in Supply		Total Cost	
Market Equilibrium	4	Marginal Cost	
Supply & Demand	4	Average Cost	
Price & Allocation		Avg Cost & MC relation	
Labor Markets		Econ. vs Acctg. Profits	
Price Ceilings	5	Economies of Scale	12
Price Floors	5, 17		
Midterm 1		Midterm 2	
<u>Competitive Firms</u>			
Competitive Firms	13	<u>Imperfect Markets</u>	
Revenue	13	Oligopoly	15
Profit Maximization	13	Demand Curve	
Shut Down Decision		Market Outcomes	
Tax Effects	not in text	Monopolistic Competition	14
Property Tax			
Payroll Tax		<u>Financial Markets</u>	
Income Tax		Financial Markets	
<u>Competitive Markets</u>		Present & Future Value	17W
Characteristics	13	http://highered.mcgraw-hill.com/sites/0078021707/student_view0/web_chapters.html or http://highered.mcgraw-hill.com/sites/0078021707/information_center_view0/	
Econ. vs Acctg Profit			
<u>Monopoly</u>		<u>Externalities & Environment</u>	
Non-competitive Industries		Pollution	164-170
Monopoly	14	Market Incentive	
Monopoly vs Competition		Pollution Reduction Options	
Barriers to Entry			
Monopolist Incentive			
Pros and Cons			
Price Discrimination	14		
Midterm 3		Final (cumulative)	

Approximate exam dates:

Midterm 1; Feb. 3 (tentative)

Midterm 2; Feb. 24 (tentative)

Midterm 3; Mar. 12 (tentative)

Final; Mar. 24

Approximate paper due dates:

Paper 1; Jan. 15 (tentative)

Paper 2; Feb. 5 (tentative)

Paper 3; Mar. 17 (tentative)

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%

Total percentage points; 100%

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:

$$\begin{array}{ccccccc} & \text{midterms} & & \text{papers} & & \text{final} & \text{participation} \\ .16 \times (2.4 + 3.1 + 2.6) & + & .105 \times (2.4 + 3.4) & + & .26 \times 3.3 & + & .05 \times 2.9 = 2.9 \end{array}$$

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+		