

## **ECONOMICS 201 – INTRODUCTION TO MICROECONOMICS (#5106B, 5CR)**

SUMMER QUARTER 2011: MTWTh 11:30a-1:20p, A208

**INSTRUCTOR:** Chris Hendrixson

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**OFFICE HOURS:** After class or by appointment

**TEXTS:** *Microeconomics: Private and Public Choice*, 13<sup>th</sup> ed., Gwartney and Stroup.

**COURSE DESCRIPTION:** Investigates the responses of individual economic agents to incentives. This course provides the framework for analyzing simple models of choices for individual markets and industries within a mixed economy. The structure and outcomes of the basic model can then be modified to analyze a variety of market structures and be used to address a range of social issues, using the common policy goals of efficiency and equity.

### **COURSE OBJECTIVES**

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.

The GenEd ratings in this class are a "2" for "Critical Thinking" and for "Quantitative and Logical Reasoning" and "Writing" as well as 1s in 7 other areas

### **COURSE REQUIREMENTS**

**CLASS SESSIONS:** Class lectures are extremely important as some material is not conveniently available elsewhere. The textbook is to act as an aid, as the organization and depth of focus in the lecture material will differ slightly. In addition, each new class builds on the foundation developed in the previous class. Therefore, consistent attendance is essential to your success in this class. If, for any reason, you miss a class, it is your responsibility to see me to find out how to make up the material you missed.

**READING ASSIGNMENTS:** The reading assignments for each unit of the course constitute the minimum reading necessary to profit from and build on material presented in class. There will not always be a one-to-one correspondence between how a subject is presented in the book and how it is presented in class, however it would be a serious mistake to avoid timely readings of the given topics. Economics can be very difficult, and many approaches to a given subjects are often necessary before they are understood.

**APLIA ASSIGNMENTS:** There will be multiple sets of graded Aplia assignments given over the course of the quarter. They will provide you with essential rehearsal, practice, and feedback. In addition, they provide me with important information about your progress. Each graded exercise set must be finished by the due date or no points will be awarded. In addition many sets of practice problems will also be given. These will be very useful in helping you prepare for tests, quizzes, or the graded Aplia assignments. Ask for the accompanying handout for instructions to sign onto Aplia. The work on Aplia will be worth a maximum total of 50 points and will be scaled according to the percent of total points possible.

**GROUP ASSIGNMENTS:** Over the course of the quarter there will be 2 in-class group assignments given. These assignments will be completed during the class period and unless excused, only those attending and participating that day will receive points. Each Group Assignment is worth 20 points.

**QUIZZES:** Over the course of the quarter 2 Quizzes will be given. They will be administered at the BEGINNING of the class period. The quiz will take roughly 30 minutes and will cover only the material dealt with since the previous test. If you arrive more than 10 minutes late to class you will not be allowed to take the quiz, so be on time. Each review quiz will be worth 20 points and cannot be made up unless an appropriate excuse is given BEFORE the quiz, except in the case of extreme emergencies.

**TESTS:** Tests will include one Midterm test and one Final test. These tests will consist of multiple-choice and essay questions. The Final will not be cumulative, however, knowledge of earlier material will be needed to understand the later material. The Midterm and Final will each be worth 100 points.

When writing essays, keep the following points in mind:

1. Always write as if explaining the answer to someone who knows little about your topic or economic theory. In other words, do not assume the reader will “read between the lines” or fill in the gaps with information or background you fail to supply.
2. Write so as to make it impossible for the reader to doubt your understanding. **Avoid assertions. Fully support your basic points by explaining fully and by providing illustrations and examples.** Attempt to develop original examples rather than “playing back” examples from class, from the text, or from other reading assignments.
3. When relevant, use the graphical models developed in class to illustrate and support your answer. However, **make sure the text of your answer explains how the model contributes to your answer.** Do not simply fill your paper with unexplained graphs hoping they will make your paper look impressive or competent.
4. Make sure your writing is clear, concise, organized, and legibly presented in a form acceptable in college classes.

## GRADING

The criteria for grading are based on universal intellectual standards which apply in all college-level courses. These standards include 1) clarity, 2) accuracy, 3) precision, 4) relevance, 5) breadth, 6) depth, and 7) consistency (logic). If your work is essentially **complete and essentially accurate**, and if it exhibits the qualities listed above at least at a minimal level, it will be assigned a grade in the **C** range. This designates work which is basically **acceptable** at the college level. If your work meets these minimal criteria and, in addition, is **occasionally distinguished** with respect to one or more of the above-listed standards, it will receive a grade in the **B** range. If your work is **consistently distinguished**, it will be assigned a grade in the **A** range. You can distinguish your work in many ways: by its clarity, by its accuracy and precision, by its depth and/or breadth of understanding, by its originality, or by other evidence that you have achieved and can communicate a high level of understanding of basic economic theory.

Your final course grade will be determined by the total number of points you earn in relation to the rest of the class. The maximum points possible for each assignment are as follows:

**Requirement:**

- 1 2 Group Assignments, 2 Quizzes
- 2 Graded Aplia assignments
- 3 Midterm
- 4 Final

**Points Possible:**

80 Points (20 points each)  
50 Points  
100 Points  
100 Points

At the end of the quarter, I will add your scores to find your final score total. This total will then be compared to the final score totals of the rest of the class and grades will be set roughly to the following curve.

Grade	Percentage
A/A+	10%
A -	10%
B +	10%
B	10%
B -	10%
C +	12%
C	12%
C -	12%
D/F	14%

Note that this curve is only an approximation. If the class either exceeds or fails to achieve my general expectations of what should have been learned the curve will be adjusted accordingly.

**QUIZ DATES**

Quiz 1: Wed, Jan 13  
Quiz 2: Thurs, Aug 4

**EXAM DATES**

Midterm: Wed July 20  
Final: Thurs Aug, 11

### **Econ 201 Reading List (Online Textbook, 13ed)**

- I. Law of Demand, Shifters of Demand, Consumer surplus, Law of Supply, Shifters of Supply, Producer surplus, Equilibrium  
Ch 3
- II. Elasticity of Demand  
Ch 7: 153-160
- III. Price controls, Incidence of a Tax, Deadweight Loss  
Ch 4: 81-96
- IV. Consumer choice, Income and Substitution effects  
Ch 7: 147-153
- V. Economic costs and profit, Short-run and Long-run cost curves  
Ch 8
- VI. Perfect competition, Profit maximization, Short-run and Long-run supply curves  
Ch 9
- VII. Monopoly, Policy alternatives when dealing with monopolies  
Ch 11: 239-244
- VIII. Monopolistic Competition  
Ch 10: 219-232
- IX. Oligopoly, Game Theory  
Ch 11: 244-259
- X. Role of government: Efficiency, Externalities, and Public goods  
Ch 5
- XI. Resource Markets  
Ch 12

## PROCEDURES AND GUIDELINES OF THE SOCIAL SCIENCE DIVISION Summer 2011

### Cheating, Stealing and Plagiarizing\*

Cheating, stealing and plagiarizing (using the ideas or words of another as one's own without crediting the source) and inappropriate/disruptive classroom behavior are violations of the Student Code of Conduct at Bellevue College. Examples of unacceptable behavior include, but are not limited to: talking out of turn, arriving late or leaving early without a valid reason, allowing cell phones/pagers to ring, and inappropriate behavior toward the instructor or classmates. The instructor can refer any violation of the Student Code of Conduct to the Dean of Student Services for possible probation or suspension from Bellevue College. Specific student rights, responsibilities and appeal procedures are listed in the Student Code of Conduct, available in the office of the Dean of Student Services.

### Incomplete

If a student fails to complete all the required work for a course, an instructor may assign the grade of Incomplete ("I"). The student must complete the coursework by the end of the next quarter, or receive the assigned letter grade (usually an "F").

### F Grade

Students who fail a course will receive a letter grade of "F."

### Final Examination Schedule

The Social Science Division will adhere to the final examination schedule as stated in the BC Schedule. Final examinations will be held at the end of each quarter at fixed times. Instructors will not give examinations in advance of the regular schedule. A student who is absent from any examination held at any time during the quarter may forfeit the right to make up the examination. If, for illness or some other circumstance beyond the student's control, the student is unable to be present at any scheduled examination and has contacted the instructor on a timely basis, the student may be permitted to take such examination at a time designated by the instructor.

### Withdrawal From Class

College policy states that students must formally withdraw from a class by the end of the seventh week of the quarter (Registration Office, B125). If a student has not withdrawn by that date, an appropriate letter grade will be assigned for the course.

### Hardship Withdrawal

Instructors may assign the grade of "HW" (hardship withdrawal) at their discretion in the event that a student cannot complete the coursework due to extreme and exceptional circumstances. Students may also contact the Enrollment Services office BEFORE grades are assigned in cases of hardship.

### Students Who Require Disability Accommodations:

Students with disabilities who have accommodation needs are encouraged to meet with the [Disability Resource Centre](#) (DRC) office located in B132 (telephone 425.564.2498 or TTY 425.564.4110), to establish their eligibility for accommodation. The DRC office will provide each eligible student with an accommodation letter. Students who require accommodation in class should review the DRC accommodation letter with each instructor during the first week of the quarter.

Students with mobility challenges who may need assistance in case of an emergency situation or evacuation should register with [Disability Resource Centre](#), and review those needs with the instructor as well.

### Distribution of Grades

Grades will not be posted in the Social Science Division or in faculty offices, and secretaries will not give out grades. Students should access their grades through the BC Web site.

### Return of Papers and Tests

Paper and/or Scantron score sheet returns will be arranged in the following ways ONLY: by mail, if student supplies the instructor with stamped, self-addressed envelope (with appropriate postage); or by the instructor designating a time and place whereby the student may retrieve his/her papers. Unclaimed papers and/or Scantron score sheets must be kept by the instructor for a minimum of sixty (60) instructional days following the end of the quarter.

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*\*If you are accused of cheating, stealing exams and/or plagiarism, there is a Bellevue College Student Discipline and Appeals Procedure (the right to due process) which you may pursue. Contact the office of Division Chair (D110), the Dean of Student Services (B231A) or the Associated Student Body (C212) for information regarding the appeals process.*