

# MICROECONOMICS

Economics 201  
Spring 2009  
Room C208  
11.30 – 12.20

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**Office Hours:** Daily at 12:30, or by appointment at other times (my classes are at 10:30 and 11:30).

This is a five-credit microeconomics course. This course will cover the concepts of opportunity cost, marginal analysis, trade-offs, gains from trade, market efficiency (or failure), and how individuals (consumers and producers) make decision, and how the decisions affect the market.

Microeconomics concern about how people spend their time and resources, against the budget constraint and preferences; and the interactions between individuals and households (as the supplier of labors) and the firms that requires the labors. In this time of economic slowdown and high unemployment, an understanding of microeconomics concepts and frameworks will help the decision-making of individuals, households and firms in response to the market signals.

## **Textbooks:**

*Microeconomics*, Paul Krugman and Robin Wells, 2e, Worth Publisher

*Additional Reading: The Return of Depression Economics*, Paul Krugman

We will also discuss articles that cover the ongoing economic issues from newspapers and magazines: The New York Times, Wall Street Journal, Seattle Times, and other online sources; I will provide the articles' link via emails or through the BCC course site.

## **Exams:**

There will be three 50-minute exams during the quarter, and a two-hour final exam.

The 50-minute exams each will consist of ten multiple-choice questions and two short-answer essay questions; and will be conducted every three weeks, and each exam will cover only the segment of each period. The two-hour final exam will cover comprehensively the whole term materials (11-week period), and there will be 20 multiple-choice questions and four short-answer essay questions.

Please do not miss an exam. If it is an emergency, **you must notify me beforehand, and bring a written document.** You may do this makeup exam before the end of the quarter to get your final grade. This exam will not be corresponding with the exams that your other classmates had completed.

## Class Plan

We will have five sessions a week, here are the plan of the class sessions tentatively:

- Monday: Lecture (chapter coverage see below for the schedule)
- Tuesday: Solving selected end-of-chapter questions
- Wednesday: Weekly Quiz (10 multiple-choice questions) for 20 minutes
- Thursday: Videos or Puzzles, some questions, work in teams
- Friday: Discussion on articles from the news, some questions, work in teams; summary of discussion (essay) should be submitted on **the next Monday** (any late submission will be deducted by 5 points for each day late).

## Paper:

{11 weeks – 4 (for the exams) = 7 weeks}; if there are 40 students in class, we divide into 6 teams. Each week six students (one from each team) will write a 300-word typed essay, with the other six of each group giving inputs and comments as the team discussed in class. The essay will be based on the articles or some chapters of additional reading that I will forward to you every week, along with some questions to follow each of the reading.

## Class Schedule:

Please read the assigned material before class and come prepared with questions or comments. In addition to this textbook, I will also post articles from various news sources, as well as a few chapters of additional reading by Krugman, and you may also bring up discussion of current economic news and events into the classroom.

Week 1 (April 1 – 3)	Ch. 1 - First Principles
Week 2 (April 6 - 10)	Ch. 2 - Economic Models: Trade-offs and Trade
Week 3 (April 13 - 17)	Ch. 3 - Supply and Demand
Week 4 (April 20 - 24)	Ch. 4 - Consumer and Producer Surplus
Week 5 (April 27 – May 1)	Ch. 6 - Elasticity
Week 6 (May 4 – 8)	Ch. 7 - Taxes
Week 7 (May 11 – 15)	Ch. 8 – International Trade
Week 8 (May 18 - 22)	Ch. 9 – Decision-Making: Present Value
Week 9 (May 25 – 29)	Ch. 10 - The Rational Consumer: Budget Constraint
Week 10 (June 1- 5)	Ch. 11 - Consumer (Indifference) Preferences
Week 11 (June 8 – 12)	Ch. 12 – Behind the Supply Curve: Inputs and Costs

## No Classes:

April 23	(Professional Development Day for faculty & staff)
May 8	(College Issues Day for faculty & staff)
May 25	(Memorial Day)

## Exams Date:

Exam 1	April 16
Exam 2	May 7
Exam 3	May 28
Final exam	June 16: 11.30 am - 1.20 pm

## Final Grade

Each of your work will graded with 100 point-base and then will be taken in percentage as follows:

Essay	10%	A	92-100
Teamwork	10%	A-	88-91.9
Class participation	5%	B+	84-87.9
Quizzes	10%	B	80-83.9
Exams (3 exams, 15% each)	45%	B-	76-79.9
Final Exam	<u>20%</u>	C+	72-75.9
Total	100%	C	68-71.9
		C-	65-67.9
		D+	60-64.5
		D	56-59.5

There will be no “extra-credit” assignments. Your grade reflects your understanding of the chapter readings and lectures, and the time and efforts that you put into it.

## Class Outcomes

Here is what BCC (the Economics department, in particular) thinks you should be able to do by the end of this quarter:

- Define how market forces affect the production and distribution of goods and services in a market economy and identify and analyze the interaction among these forces.
- Apply and define the price determination and consumer choice theory to identify the possible causes and evaluate possible solutions for current microeconomic issues.
- Identify the influence and importance of value judgments with regard to economic issues and policies.
- Compare and contrast the differences in market forces and market variations, in particular to the role of government in the market system.
- Explain the operation of a perfectly competitive market and its implications in terms of the normative goals of efficiency and equity.
- Identify and explain the major forces impacting the distribution of income and wealth in modern U.S. capitalism, including the impact of discrimination.
- Identify and describe situations where market outcomes are socially undesirable, analyze the causes of market failure, and compare and contrast alternative remedies.

## Class Rules

Every violation of the following rules, the instructor can deduct ten percent of your final grade for every occurrence:

- Students are expected to come in class and exams on time
- Attendance will be taken; absences should not be more than five times. Occasionally, the instructor will call roll the attendance.
- Chatting or cross-talking during lectures are prohibited; there should be no disruption of class, noise, rude or disrespectful behaviors.
- Electronic devices should be turned off, except those used to facilitate teaching-learning session.
- During exams, no use of cellphones or other electronic gadgets (other than calculator).
- No eating in class during session (unless you invite the whole class, including the class instructor).
- Cheating in exams will earn you an F.