

MICROECONOMICS

Economics 201
Fall 2007
Room C208

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Office Hours: Daily at 10:30, or by appointment at other times (my classes are at 9:30 and 11:30).

Microeconomics tries to explain how an industrial capitalist economy such as the United States goes about the production and distribution of goods and services. We study the operation of markets – product (goods and services) and factor (labor and capital) markets. We analyze how prices and wages are determined in these markets, the effects of economic power, and who gets what incomes and why. We examine the role of government in markets, and discuss disagreements among economists over what that role should be.

The course will present basic economic models, and apply these models to current issues such as monopoly power, the minimum wage, the environment and the distribution of income and wealth. In particular, this quarter we will look at the issues surrounding economic inequality and our high-consumption lifestyle. You will hopefully gain a grounding in basic economic theory, and a greater ability to critically evaluate current economic policy. We will approach topics from differing perspectives, not in a way that “answers” controversial issues of understanding and policy.

TEXTBOOKS

Deep Economy, Bill McKibben.
Falling Behind, Robert Frank.

We will also need some basic introductory economic material, in more of a standard textbook form. To do that we will use several chapters from an online textbook (authored by Timothy Taylor) at www.freeloadpress.com. Go to the site, find *Principles of Economics*, and download the chapters we need. It is free, unless you want them to send you a hard copy. You will have to put up with some ads – let me know whether the hassle is worth the free textbook.

For different perspectives on various issues, I will also assign articles on the current economy, and on policy issues (income distribution, minimum wage, etc.), from other publications. I will post the citations for these articles a couple days before we use them on the MyBCC class website. You will be able to find the articles online, through the BCC library, using the ProQuest database of journal and newspaper articles.

CLASS SESSIONS

I would like our class time together to be as interactive as possible. Please read the assigned material beforehand, and be prepared to discuss it. Come prepared with questions or comments. Bring questions or discussion of current economic news and events into the classroom. I will be asking you questions, to generate discussion of the reading. Your success in the course partly depends on your active involvement, including class attendance, class participation, seeing me outside of class. Take advantage of office hours.

CLASS REQUIREMENTS

A. Exams

There will be two one-hour exams during the quarter, and a two-hour final exam. Exams will consist primarily of short essay questions. These will have you briefly explain an economic concept, or apply the concept to a situation. Exams will be based on all the reading and lectures for that segment of the course. The exams are only comprehensive in the sense that the material builds on itself.

The one-hour exams will count 75 points toward your final grade, the final will count 100 points. Please do not miss an exam. If an emergency arises and **you notify me before-hand**, and you complete the rest of the course work, you may be able to make up a missed exam at the end of the quarter. This exam will be significantly different than the original, most likely two or three extended essay questions.

B. Class Participation/ Seminars

We will have seminars once every week. Not all economic questions have “answers” that can be written down on an exam or an assignment. Economic policy is most often controversial. Therefore, I want you to develop skills in analyzing and then discussing important economic issues. We will break into smaller groups to seminar.

You need to prepare for these discussions, by reading that week’s material (I may in some cases add in a current article) and doing a one-page seminar paper (which you will turn in to me). This paper will state the main points and arguments of the readings, and connect (or contrast) the readings to what we are studying in class and the textbook. The reading (in *Deep Economy* and in *Falling Behind*) will often take a different approach than the reading in the text, or what might be called traditional or mainstream Economics. Hopefully, those contrasts or differing points of view will give you some material to work with.

In the discussions, you will express your views and opinions (not in the papers). Each seminar paper will count for 15 points (150 altogether – there will be 10 seminars, you can miss one with no grade penalty).

C. In-class Assignments

A couple times a week I will set some questions or problems for you to answer or discuss in groups. Each group will turn in its answers. Some of these will be based on numerical problems, or graphs from the textbook (there will not be numbers or graphs required on the exams, although understanding of them will help you). Others will be based on newspaper articles that I will assign for you to read. In this case, or in the case of a longer problem, I will put the article citation or problem on the MyBCC website for you to bring to class.

Each group will turn in their answers or a summary of the discussion. There will be 100 of these points over the course of the quarter. You must be present to get credit for these; the idea is that you are learning through interaction with your peers. You will be prepared to do these assignments if you are keeping up with the class and the readings.

CLASS SCHEDULE

The following chapter assignments are from your textbooks. There will also be articles (assigned in class, and posted on the MyBCC class website) from newspapers such as the *New York Times* or the *Wall Street Journal*, in order to apply what we are learning to current events.

DE: *Deep Economy*, McKibben.

FB: *Falling Behind*, Frank.

PE: *Principles of Economics*, Taylor.

WEEK 1 (Sept. 24 – 28)	PE, chapters 1 and 4; DE, pages 1 - 25.
WEEK 2 (Oct. 1 – 5)	PE, chapters 3 and 5; DE, pp. 26 - 45.
WEEK 3 (Oct. 8 – 12)	PE, 14; DE, chapter 2.
WEEK 4 (Oct. 15 – 18)	PE, 2 and 7; DE, 3.
WEEK 5 (Oct. 22 – 26)	PE, 9 and 10; DE, 4.
WEEK 6 (Oct. 29 – Nov. 2)	PE, 16; DE, finish.
WEEK 7 (Nov. 5 – 9)	PE, 17; FB, pages 1 - 28.
WEEK 8 (Nov. 13 – 16)	PE, 11; FB, pp. 29 - 51.
WEEK 9 (Nov. 19 – 21)	PE, 12; FB, 52 - 77.
WEEK 10 (Nov. 26 – 30)	PE, 13; FB, 78 - 102.
WEEK 11 (Dec. 3 -- 7)	PE, 15; FB, finish.

EXAMINATIONS

PAPERS (Do ten)

Midterm exams:	Monday, October 15th.	Fridays	Sept. 28 th
	Wednesday, November 7th.	(Or the last day of the school week when there is no Friday class.)	
Final exam:	Monday, December 10 th , 11:30 to 1:30.		

GRADES

Your grade will be based on the number of points you earn:

A 460 - 500	B+ 420 - 439	C+ 360 - 379	D+ 300 - 319
A- 440 - 459	B 400 - 419	C 340 - 359	D 280 - 299
	B- 380 - 399	C- 320 - 339	

I do not allow “extra-credit” assignments. Your grade is based on the quality of your work, not its quantity. If you are unhappy with your grade, increase or improve your studying -- I do take account of improvement in your performance over the course of the quarter.

Learning Outcomes: (At the end of this course, students will be able to...)

1. Define how traditional, command, and market forces affect the production and distribution of goods and services in a market economy and identify and analyze the interaction among these forces.
2. Use economic reasoning, principles, and models to identify the possible causes and evaluate possible solutions for current microeconomic issues, such as productivity growth, wage differentials, and poverty.
3. Identify the influence and importance of value judgments with regard to economic issues and policies.
4. Identify and explain the impact of historical development on microeconomic issues and policies, such as the application of antitrust legislation, labor legislation, and the impact of global competition on the economy.
5. Compare and contrast the major traditions of economic thought as they apply to microeconomic theory and policy, in particular to the role of government in the market system.
6. Identify and explain the major forces impacting the distribution of income and wealth in modern U.S. capitalism, including the impact of discrimination.
7. Identify and describe situations where market outcomes are socially undesirable, analyze the causes of market failure, and compare and contrast alternative remedies.
8. Identify and describe the institutional framework and the institutions that affect microeconomic outcomes.