

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

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Textbook: Microeconomics, 10th 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	
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	
		Utility Maximization	19
<u>Supply & Demand</u>		<u>Business Forms</u>	3
Markets		Business Forms	
Comparative Advantage	2, 9	Proprietorship	
Demand	4	Partnership	
Determinants		Corporation	334-338
Demand Schedule & Curve			
Change in Demand		<u>Production Costs</u>	
Normal vs Inferior		Productivity & Cost	
Substitute vs Complement		Production Function	11
Supply	4	Marginal Product	11
Determinants		Costs	11
Supply Schedule & Curve		Total Cost	
Change in Supply		Marginal Cost	
Market Equilibrium	4	Average Cost	
Supply & Demand	4	Avg Cost & MC relation	
Price & Allocation		Econ. vs Acctg. Profits	
Labor Markets		Economies of Scale	12
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; May 2 (tentative)

Midterm 2; May 18 (tentative)

Midterm 3; June 6 (tentative)

Final; Mar. 22

Approximate paper due dates:

Paper 1; Apr. 13 (tentative)

Paper 2; May 4 (tentative)

Paper 3; June 13 (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:

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

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+		

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