

ECONOMICS 2306

PRINCIPLES OF MICROECONOMICS

SYLLABUS – SPRING 2004

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 HSB 354
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OFFICE HOURS: MWF 8:00-9:45 a.m.
 MW 2:00-2:30 p.m.
 TR 8:00-11:00 a.m.

TEXTS

William A. McEachern, Microeconomics: A Contemporary Introduction, 6th Edition, Thomson South-Western

John Lunn and William A. McEachern, Study Guide to accompany Microeconomics: A Contemporary Introduction, 6th Edition, Thomson South-Western

Additional Reading: As a college student, you should be reading a good daily newspaper and/or weekly newsmagazine on a regular basis.

PURPOSE OF THE COURSE

Students show up the first day of class with at least 18 years of experience with economic choices, economic institutions, and economic events. Each grew up in a household—the central economic institution. As consumers, students are familiar with fast-food outlets, cineplexes, car dealerships, online retailers, and dozens of stores at the mall. Most students have been resource suppliers—more than half held jobs in high school. Students also have experience with government—they know about taxes, drivers' licenses, speed limits, and public education. And students have a growing familiarity with the rest of the world. Thus, students have abundant experience with the stuff of economics. (McEachern, p. xix)

The purpose of this course is to broaden and deepen your knowledge of the economic behavior of producers and consumers in a microeconomic framework. By the end of the semester, you should have a significant understanding of: microeconomic terminology; supply, demand, and equilibrium price determination in product and resource markets; consumer behavior; market structure and industrial organization; production, cost, and profit determination and maximization; and more! You should leave this course equipped with the firm foundation of knowledge and analytical skills needed to read and comprehend the economic information and business news with which you will come in contact for the rest of your life.

LEARNING GOALS

Throughout this semester, you should seek to:

- Develop a significant understanding of microeconomic terminology
- Master the supply-demand model and learn how to use it as a tool for understanding product markets and resource markets
- Increase your knowledge of consumer behavior and the concept of utility maximization
- Learn how to calculate revenues, costs and profits (or losses) for a firm and how a firm can maximize its profits or minimize its losses
- Become familiar with the market structures of perfect competition, monopoly, monopolistic competition, and oligopoly
- Understand the role of comparative advantage in international trade
- Heighten your awareness of current microeconomic issues through frequent reading of the Wall Street Journal

GRADING

There will be three exams during the semester, in addition to the final exam, which will be comprehensive and will have a departmental component. There will also be several quizzes and homework assignments given throughout the semester. Some questions on each exam and quiz will be taken directly from the Study Guide. The grading schedule is given below:

Exam I	100 points
Exam II	100 points
Exam III	100 points
Final Exam	100 points
Quizzes and Assignments	<u>50 points</u>
Total possible	450 points

In order to earn an A in the course, you must accumulate 405 points; for a B+, 391 points; for a B, 360 points; for a C+, 346 points; for a C, 315 points; and for a D, 270 points.

All exams must be taken at the regularly scheduled time; no makeup exams will be given. If you believe you have a valid excuse for missing an exam, you must consult with me prior to the exam time; if I accept your excuse for missing the exam, the weight of that exam will be added to the weight of the final. (This arrangement applies only one time during the semester.) If you do not obtain my approval for missing an exam, the missed exam will earn a grade of zero.

There will be announced quizzes throughout the semester to encourage you to study regularly and to provide you with feedback regarding your progress in the course. No makeup quizzes will be given, and a missed quiz will earn a grade of zero. There will also be homework assignments given, with specific due dates. The homework is designed to help you “practice” what you have learned in class and from your reading. Generally, homework will not be collected, but unannounced homework checkups will be given over some of the assignments. Homework is due and any checkups will be given at the beginning of class on the day the assignment is due. If homework is collected or a homework checkup is given and if you are not present in class at that time, your homework will be considered late and will not be accepted. The total points you earn on homework may be substituted for your lowest quiz grade. No credit will be given for late homework or for missed checkups.

ATTENDANCE AND PUNCTUALITY POLICY

You must attend 75 percent of class meetings in order to receive credit in accordance with university rules. This means that 11 absences will be allowed in a MWF class; 12 will be excessive. For TR classes, 7 absences will be allowed; 8 will be excessive. You will earn an automatic F if you exceed the permitted number of absences. Please note, however, that although you are “allowed” a certain number of absences, I strongly encourage you to maintain an excellent attendance record. I cannot, of course, guarantee that excellent attendance will allow you to earn a high grade in this course, but I can assure you that poor attendance will most likely result in your earning a low grade.☺

If you are tardy, you will already have been marked absent when you arrive. It will be your responsibility to take time after class to have the roll changed in order to be counted present. The absence mark will be changed to a tardy mark; 2 tardies will count as an absence. An absence mark not changed before leaving class on the day in question will remain as an absence. You may check with me at any time to determine your absence/tardy record; it is ultimately your responsibility to know where you stand regarding your attendance record in relation to the required attendance policy.

Although you will not receive credit or “points” for attendance, you should know that I consider attendance and punctuality to be significant measures of your interest in this class and of your desire to do well in the course.☺ Conversely, poor attendance and/or tardiness will be viewed as indicating indifference toward the course material and your grade.☺ Be aware that at the end of the semester I will look closely at your attendance and punctuality in making my grade decisions!

POLICY REGARDING PERFORMANCE IN PRE-REQUISITE COURSES

Students must receive a C or better in any lower level (freshman or sophomore) core business class that is a pre-requisite for another business class in order to be eligible for admission into the Hankamer School of Business. These classes are: BUS 1301, ISY 1305, ACC 2303, ACC 2304, **ECO 2306, ECO 2307**, QBA 2302, and QBA 2305. If you have questions about this new policy, please contact the Undergraduate Office of Hankamer School of Business.

SPECIAL “HOUSEKEEPING” INSTRUCTIONS

Food and drinks (with the exception of water) are not permitted in the classrooms in the Business School. Our Dean has explicitly instructed all faculty to enforce this rule strictly. Please dispose of all food and drink before entering the room or I will have to remind you to do so. Thank you! ☺

COURSE COVERAGE

The following textbook chapters and ethics material will be covered during the semester:

Chapter 1	The Art and Science of Economic Analysis (with appendix)
Chapter 2	Some Tools of Economic Analysis
Chapter 3	Demand and Supply Analysis
Chapter 5	Elasticity of Demand and Supply
Chapter 6	Consumer Choice and Demand

EXAM I

Chapter 7	Production and Cost in the Firm
Chapter 8	Perfect Competition
Chapter 9	Monopoly
Chapter 10	Monopolistic Competition and Oligopoly

EXAM II

Chapter 11	Resource Markets
Chapter 12	Labor Markets and Labor Unions
Chapter 19	International Trade
Ethics & Economics	Selected readings

EXAM III

FINAL EXAM	Friday, May 7, 11:30 a.m. (Location to be announced)
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TENTATIVE SCHEDULE:

DATE	COVERAGE	READING ASSIGNMENT (to be completed before class)
Tues., Jan. 13	Intro. to course	
Thurs., Jan. 15	Chapter 1	Chapter 1 with Appendix
Tues., Jan. 20	Chapter 2	Chapter 2
Thurs., Jan. 22	Chapter 3	I. Demand; II. Shifts of Demand Curve; III. Supply; IV. Shifts of Supply Curve; V. Demand and Supply Create a Market
Tues., Jan 27	Chapter 3	VI. Changes in Equilibrium Price and Quantity; VII. Disequilibrium Prices; Re-read Chapter 3
Thurs., Jan. 29	Chapter 5	I. Price Elasticity of Demand; II. Determinants of Price Elasticity of Demand; III. Price Elasticity of Supply
Tues., Feb. 3	Chapter 5	IV. Other Elasticity Measures; Re-read Chapter 5
Thurs., Feb. 5	Chapter 6	I. Utility Analysis; II. Measuring Utility
Tues., Feb. 10	Chapter 6	III. Role of Time in Demand; Serious preparation for Exam I should already be underway! Re-read chapters in preparation for the exam.
Thurs., Feb. 12	EXAM I	
Tues., Feb. 17	Chapter 7	I. Cost and Profit; II. Production in the Short Run
Thurs., Feb. 19	Chapter 7	III. Costs in the SR; IV. Cost in the LR
Tues., Feb. 24	Chapter 7	Re-read Chapter 7
Thurs., Feb. 26	Chapter 8	I. Introduction to Perfect Competition; II. Short-Run Profit Maximization; III. Minimizing Short-Run Losses
Tues., Mar. 2	Chapter 8	IV. Firm and Industry SR Supply Curves; V. Perfect Competition in the LR; VI. LR Industry Supply Curve
Thurs., Mar. 4	Chapter 8; Chapter 9	Re-read Chapter 8; Chapter 9: I. Barriers to Entry; II. Revenue for the Monopolist
Tues., Mar. 9	Chapter 9	III. Firm Costs and Profit Maximization; IV. Allocation of Resources
Thurs., Mar. 11	Chapter 9; Chapter 10	Chapter 9: VI. Price Discrimination; Chapter 10: I. Monopolistic Competition
Mar. 15-19	SPRING BREAK	
Tues., Mar. 23	Chapter 10	II. Introduction to Oligopoly; III. Models of Oligopoly; Serious preparation for Exam II should already be underway! Re-read chapters in preparation for the exam.
Thurs., Mar. 25	EXAM II	
Tues., Mar. 30	Chapter 11; Ethics	Chapter 11: I. Once Over; II. Demand and Supply of Resources; Ethics & Economics: Assigned readings
Thurs., Apr. 1	Chapter 11; Ethics	Chapter 11: III. A Closer Look at Resource Demand; Ethics & Economics: Assigned readings
Tues., Apr. 6	Chapter 12; Ethics	Chapter 12: I. Labor Supply; II. Unions and Collective Bargaining; Ethics & Economics: Assigned readings
Thurs., Apr. 8	Chapter 12; Ethics	Chapter 12: III. Union Wages and Employment; Ethics & Economics: Assigned readings
Tues., Apr. 13	Chapter 19; Ethics	Chapter 19: I. Gains from Trade; II. Trade Restrictions; III. Arguments for Trade Restrictions; Ethics & Economics: Assigned readings
Thurs., Apr. 15	Ethics unit	Be prepared for discussion of assigned readings on Ethics & Economics
Tues., Apr. 20	Ethics unit	Be prepared for discussion of assigned readings on Ethics & Economics; Serious preparation for Exam III should already be underway! Re-read chapters and readings in preparation for the exam.
Thurs., Apr. 22	DIADELOSO	
Tues., Apr. 27	EXAM III	

Thurs., Apr. 29 (Last class day)	Information regarding final exam	Important information will be provided to help you prepare for the final exam; no reading assignment for today, but attendance in class is critical.
Tues., May 4	Study Day	
Wed., May 5	Study Day	
Fri., May 7	FINAL EXAM	11:30 a.m. - 1:30 p.m. – Location to be announced