

A Christian cobbler should make good shoes—not poor shoes decorated with a cross. **Martin Luther**

I take pride in not taking pride in what I do with my life. **Bart Simpson**

**Dear Future Student in Pisciotta's Economics 2306,**

I had some weak exam performances, but came on strong toward the end of the course. Dr. Pisciotta asked me to write to you about how I made the transition from middle-of-the-road student to being a strong student.

My study strategy was finding out from you which *specific* graphs in the text to concentrate on, and then RE-reading the material a few days before the test...not the day before. Also, while I read I took my own notes, concentrating on the paragraphs that specifically explained the graphs. After taking notes on the reading material I then pretended that every graph was a 12pt. essay question and so I tried to write out my own answers and then compared them to the descriptions in the book.

These strategies are different than the way I used to do it because I spent less time going over "definitions" and more time over the graphs. I've found that you'll learn the definitions as a result of learning the graphs. Also instead of trying to cram in every last detail, I focused more on the issues that were discussed in class and what we discussed after class.

Sincerely,

Mary Doe (B+ student, spring semester)

## **Course Outline: Principles of Microeconomics** Economics 2306, Fall 2003

Dr. John Pisciotta

Office: Hankamer 345

Office Hours: MWF 10-11 a.m. TTh 1:30-3:00 p.m.

And you are welcome to come to my office at any time.

Office Phone: 710-6224 (leave message at any time)

E-mail [john\\_pisciotta@baylor.edu](mailto:john_pisciotta@baylor.edu) (see me an e-mail at any time to express your questions or comments (both negative and positive are welcome)).

Texts: William McEachern, **Microeconomics** (6<sup>th</sup> edition) (required)  
Eco 2306 special **Course Pak** for Pisciotta's sections (required and available at bookstore).  
(optional—not required) John Lunn, **Study Guide for McEachern's 6e Microeconomics**  
Each chapter of **Study Guide** has these sections. The most helpful sections are in bold.

I. Introduction

**II. Outline**

**III. Discussion**

IV. Lagniappe

V. Key Terms

**VI. Questions**

**A. Completion**

**B. True/False**

**C. Multiple Choice**

D. Discussion Questions

### **Course Goals**

Microeconomics provides the decision-making foundation for all aspects of business, managerial accounting, marketing, and management. (Economists like to think of all other B-School disciplines as descendants of economics.) Your study of microeconomics is intended to help you:

- make better business decisions.
- make better personal decisions.
- understand the benefits and deficiencies of the market mechanisms as tools to enhance human lives.
- understand much about government initiatives to change the result of the market process.
- understand the limitations of microeconomic analysis.
- understand areas of complementary and conflict between the market process and Christian living & ministry.

**Honor Code on Exams:**

Please do nothing to give even the appearance of helping or being helped by another student. This includes talking to other students and looking at another's test paper during an exam.

**Course Instructor:**

John Pisciotta has been a member of the Hankamer School of Business faculty since 1980. Initially, he was Associate Director of the Center for Private Enterprise. His work in the Center involved creating educational materials for teaching economics and delivering seminars on economic education. Since 1987, Pisciotta has been full-time in the Department of Economics.

His has been a nationally recognized leader in the use of computer technologies to teach economics. He has program teaching tutorials for the Federal Reserve Bank of Dallas, the Internal Revenue Service, Dryden Press, and South-Western Publishing Company.

Pisciotta's main research interest is in the organization of elementary and secondary education. Applying the principles of competitive market (the central topic this course), he is a proponent of parental choice and a reduced role of government in education.

Pisciotta was the co-director of the Pruitt Memorial Symposium which took place in November 2002. The conference "Christianity and Economics: Integrating Faith and Learning in Economic Scholarship" brought nearly 200 scholars to the Baylor campus.

John Pisciotta is originally from the farming community of Vineland, Colorado. He earned his undergraduate degree from the University of Colorado and a Ph.D. in economics from The University of Texas at Austin. He is a member of the Roman Catholic Church.

**About Learning with Experimental Economics**

In this course, our class time will be used for "experimental" classroom interactions and lecture/discussions sessions. The subject of economics is well suited to an experimental approach. By participating in economic experiments, you will be able to observe economic principles in action. After you have participated in an experiment and recorded the results, I will present economic theories designed to explain what happened in the "experimental laboratory." With the data collected from the classroom experiments you can discover how well or how badly each theory works to predict the experimental outcome. With this approach, theories come to life and they become more interesting. I hope that in the process you will come to appreciate the great power and some of the shortcomings of economics.

Important parts of your learning will be done with classroom experiments, so it is very important that you participate. Additionally, homework will be assigned that will require your analysis of the data resulting from our experiments. Finally, you will receive bonus credit based on how well you do in the experiments. Let me apologize at the outset for introducing this competition into the course. I realize this is not politically correct.

## Eco. 2306 Tentative Daily Schedule

Version 1.0

December 8, 2003

Accessing software used in class: J:\Pisciott\MCE40\Mce.exe

Day 1	Aug. 25	Mon	Introduction to Course <b>Experiment:</b> Trade and Exchange	
Day 2	Aug. 27	Wed	Introduction to Microeconomics Economics Systems	Ch. 1, 1-10. Ch. 2, 38-41. Course Pack: I, PENCIL
Day 3	Aug. 29	Friday	Understanding Graphs Bradford, History of Plimmoth Plantation Malthus, Essay on Population	Ch. 1 Appendix—pp. 19-22 & Exhibits 4-9.
Day 4	Sept. 1	Mon	Demand Analysis Consumer Behavior	Ch. 3, 45-53 Ch. 6, 114-119 & pp. 124-128
Day 5	Sept. 3	Wed	Practice for future market experiments: Drawing “jagged” supply & demand curves.	
Day 6	Sept. 5	Fri	<b>Experiment: Supply and Demand</b>	
Day 7	Sept. 8	Mon	Supply & Demand Analysis (continued)	Ch. 3, 49-67.
Day 8	Sept. 10	Wed	<b>Experiment: Measuring Productivity</b>	Experiment will take place in the Banquet Room of the <b>HCB 5<sup>th</sup> floor.</b>
Day 9	Sept. 12	Friday	Cost Concepts Diminishing Returns	Ch. 2, 27-30. Ch. 7, 142-144, Include Exhibits 2 & 3
Day 10	Sept. 15	Mon	Resource Market	Ch. 11, 247-252. Include exhibits 4 & 6. Exclude “Selling Output as a Price Maker” and Exhibit 5.
Day 11	Sept. 17	Wed	Resource Market Continued.	
Day 12	Sept. 19	Friday	Elasticity	Ch. 5, 89-104
Day 13	Sept. 22	Mon	<b>Examination #1 7-9 p.m. in Kayser Aud. WSJ Due Date.</b>	
Day 14	Sept. 24	Wed	Utility Maximization in Consumption together with a Christian reflection	Ch. 6, 119-122
Day 15	Sept. 26	Friday	Production and Costs in the Short Run.	Ch. 7, 139-150.
Day 16	Sept. 29	Mon	Production and Costs in the S.R.(continued)	Ch. 7, 139-150. (continued)
Day 17	Oct. 1	Wed	Perfect Competition in Short Run	Ch. 8, 164-175
Day 18	Oct. 3	Friday	Perfect Competition in Short Run (continued)	Ch. 8, 164-175 (continued)
Day 19	Oct. 6	Mon	Costs of Production in Long Run	Ch 7, 150-155
Day 20	Oct.8	Wed	<b>Experiment: Entry and Exit</b>	
Day 21	Oct. 10	Friday	Perfect Competition in Long Run	Ch. 8, 178-182.
Day 22	Oct. 13	Mon	<b>Examination #2 7-9 p.m. in Kayser Aud. WSJ Due Date.</b>	

Day 23	Oct. 15	Wed.	Monopoly	Ch. 9, 193-205 & 207 -209
	Oct. 17	Friday	<b>Fall Break</b>	
Day 24	Oct. 20	Mon	Monopoly Regulation Creative Destruction	Ch. 15. 325-336 Supplement: Creative Destruction
Day 25	Oct. 22	Wed	<b>Experiment: Monopoly and Cartels.</b>	
Day 26	Oct. 24	Friday	Guest Lecture: Russia: The Difficult Transition from Social to Capitalism	
Day 27	Oct. 27	Mon	Monopolistic Competition	Ch. 10, 216-224
Day 28	Oct. 29	Wed	Oligopoly	Ch. 10, 224-235
Day 29	Oct. 31	Friday	Price Discrimination	Ch. 9, 209-211.
Day 30	Nov. 3	Mon	<b>Examination #3 7-9 p.m. in Kayser Aud. WSJ Due Date.</b>	
Day 31	Nov. 5	Wed	<b>Experiment: The Value of Information</b>	
Day 32	Nov. 7	Friday	Economic Role of Government	Ch. 4, 77-83. Course Pak: Freedom Is the Surest Path to Prosperity, WSJ
Day 33	Nov. 10	Mon	The Public Choice View of Government	Ch. 16 pp. 343-354.
Day 34	Nov. 12	Wed	Comparison of Markets and Government	Course Pak
Day 35	Nov. 14	Friday	International Trade	Ch. 2, 26-33. Ch. 19, 414-420
Day 36	Nov. 17	Mon	<b>Experiment: Minimum Wage.</b>	
Day 37	Nov. 19	Wed.	Labor Markets and Labor Unions	Ch 12, 414-420.
Day 38	Nov. 21	Friday	Articles from Course Pak	
Day 39	Nov. 24	Mon.	<b>Examination #4 7-9 p.m. in Kayser Aud. WSJ Due Date.</b>	
	Nov 26&28		Thanksgiving Holiday	No class.
Day 40	Dec. 1	Mon	Poverty in the U.S.	Ch. 18, 386-400.
Day 41	Dec. 3	Wed	Poverty in the U.S. (continued)	Ch. 18, 386-400
Day 42	Dec. 5	Friday	Search for Values in Age of Economic Affluence	Course Pak readings
Day 43	Dec.8	Mon	<b>Wild Card Topic to be Announced</b>	
	Dec. 10	Wed.	<b>Make-up exams: 10-12 Wed Dec. 9 Rm 106</b>	
	Dec 15	Mon	<b>Final Examination 10:30 – 12:30 p.m.</b>	

# Ground Rules for Economics 2306

## Principles of Microeconomics • Fall 2003

We will have four exams during the semester and a final exam. The exams will be a mixture of essay questions and multiple-choice questions.

You must attend **75%** of class sessions to receive credit for the course in accordance with University policy. Your **12th** absence results in an F in the course. You should not even come close to having this many absences.

I take attendance before class begins. Even if you have to be late, don't hesitate to come to class tardy. When you are late, please check with me after class to make sure I have not marked you absent.

Absence from a major examination will be excused for university business, serious illness, or other major events. Please notify me prior missing an exam at 710-6224 (call at any hour). Make-ups will be all essay and given on one of the special study days prior to final exams. There will be no grade penalty for a pre-arranged, excused test absence.

**There will be a one-letter grade penalty for an unexcused absence from an exam.**

Write-ups on **Wall Street Journal** articles will be an important part of this course. All students are required to complete four write-ups. The four required write-ups must be completed and submitted through Blackboard prior to these dates:

**Monday, September 22 (Prior to evening exam #1)**

**Monday, October 13 (Prior to evening exam #2)**

**Monday, November 3 (Prior to evening exam #3)**

**Monday, November 24 (Prior to evening exam #4)**

Don't risk waiting until the last minute to get these projects completed and submitted. **You may turn in each write-up early.** Everyone can avoid the risk of something going wrong by completing the assignments early.

In addition the **four required** Wall Street Journal write-ups, all classes missed (whether excused or unexcused) must be "made up" by a **WSJ** write-up.

- All absences prior to the first exam must be made up by submitting through Blackboard a write-up on or prior to **Mon., Sept. 22** (prior to exam).
- All absences prior to the second exam must be made up by submitting through Blackboard a write-up on or prior to **Mon., Oct. 13** (prior to exam).
- All absences prior to the third exam must be made up by submitting through Blackboard a write-up on or prior to **Mon., Nov. 23** (prior to exam).
- All absences prior to the fourth exam must be made up by submitting through Blackboard a write-up on or prior to **Mon., Nov. 24** (prior to exam).

For each absence not made up prior to its deadline, there will be a 1% penalty on your final grade. For example, assume your course average is 81%. If you fail to complete 3 **WSJ** write-ups, your grade is then 78%. If you know or think you are going to be absent in the future, you may complete a **WSJ** assignment **prior** to the absence.

Please observe the following requirements for your **WSJ** projects:

- A WSJ article is eligible for use only if it is **on an approved list that I give you.**
- Write a 400+ word paper on the article.
- At the top of your write-up include the **date of the article and the date you are handing in the assignment.**
- Your write-up should provide a substantial summary of the article.
- Your write-up should contain multiple, well-thought-out paragraphs—**not just one paragraph**
- Your write-up should conclude with your evaluation of the article and/or your explanation of how the article relates to the course.
- Your write-up should not contain spelling and grammar errors.
- Your write-up must not be hand written. Please use a typewriter or computer.
- Submit through Blackboard only.

**Earrings permitted.**  
**Baseball caps NOT permitted--unless worn in reverse.**

**No food or drink permitted in the classroom**  
**with the exception of water.**

**Matthew 25: 14-30**

Course grade will be determined as follows:\*

1 <sup>st</sup> evening examination	150 points*
*You may use a high grade on the first exam to raise your lowest grade on exams #2, #3, or #4. I will replace your lowest grade on exams #2, #3, or #4 with a grade halfway between this lowest grade and your grade on exam #1. Suppose you earn an 80 on the first exam and your low exam grade is a 60 on the 3 <sup>rd</sup> exam. I will replace this 60 with a 70 $(80+60)/2$ . This "deal" is not available for a make-up exam for the first examination.	
2 <sup>nd</sup> evening examination	150 points
3 <sup>rd</sup> evening examination	150 points
4 <sup>th</sup> evening examination	150 points
Final examination	300points
Homework, quizzes, misc. written work.	100 points
<b>Total points</b>	<b>1,000 points</b>
Positive Bonus Credit: Performance on experiments	<b>0 to 25 points</b>
<b>Negative Bonus Credit: absences not "made up."</b>	<b>Up to 11 BIG pts</b>
Classroom response and participation initiatives	(+or-) 0.5-2 BIG pts

- A = 90-100
- B+ = 88-89
- B = 80-87
- C+ = 78-79
- C = 70-77
- D = 60-69
- F = 59.999 & below