COURSE DESCRIPTION:

Your mission, should you decide to accept it, is to venture into the territory of Microeconomics and explore the fundamental principles of the economics discipline. Economics is the study of how individuals and societies make rational choices when confronted with scarce resources and an uncertain environment. As a science, economics provides a rigorous framework in which to organize observed economic phenomena so that we may come to some understanding of the world about us.

Economics is divided into two branches: microeconomics and macroeconomics. Microeconomics is concerned with how individuals and firms make decisions within the context of an isolated market. This course emphasizes the development of the laws of demand and supply, with a particular focus on how scarce resources are allocated in competitive and monopolistic markets. The tools developed in this course can be used to address some of the most compelling of contemporary issues, as well as more everyday problems.

COURSE OBJECTIVES:

- To introduce you to microeconomic concepts and ideas.
- To critically analyze the full costs and benefits associated with making economic choices in a world of scarce resources.
- To understand discussions involving business and politics.
- To apply basic economic concepts (such as opportunity cost, market operations, etc.) to solve everyday economic problems.
- To evaluate the consequences (both intended and unintended) of government interventions into markets.
- To aid you in moving beyond news headlines and the commentary of pundits, to develop a level critical thinking that will allow you to judge for yourself the merits of different arguments surrounding microeconomic issues.

EXPECTATIONS:

A college is a community of scholars. As a member of a community, every student as well as the instructor has a responsibility to participate. Education is not a spectator sport. You are the person who has the greatest interest in your education. Participation implies that you involve yourself in your own education by:

- reading the material in the assigned texts
- reading related material, watching and listening to news that is pertinent to the course
- thinking about how the material in the course is related to both historical and current events
- questioning the analysis presented by others
- listening to the lectures, participating in course activities, contributing to discussions, and asking relevant questions about economic concepts and the analysis of historical and current events
EVALUATION:

- Highest three of four exams – 66% (3x22%)
- Economic scrapbook – 10%
- Creative Project -- 14%
- Stock Investment Project -- 10%

Your grade in this class will be determined according to the following scale (AFTER any applicable exam curves or bonus points are factored in):

A: 90 – 100  B: 80 – 89  C: 70 – 79  D: 60 – 69  F: 0 - 59

IMPORTANT DATES:

Exam #1: Tuesday, September 28
Exam #2: Thursday, October 21
Exam #3: Thursday, November 18
Exam #4: Tuesday, December 14

Economic Scrapbook: Thursday, November 11
Creative Project: Tuesday, December 7
Stock Project: on or before December 16 (contest officially ends: December 10 at the market close)

Labor Day Holiday: Monday, September 6
Veterans Day Holiday: Friday, November 12
Thanksgiving Break: November 25 - 28

Last Day to Drop Without Notation on Permanent Record: Friday, September 24
Last Day to Drop With a “W”: Friday, November 19

Exams

Exams generally include multiple choice, true/false, and short-answer questions. Please bring a scantron (882-E) with you to each exam. NOTE: In general, exam grades are curved (if called for) based upon the class median and/or mean.

Make-up Exams: If you cannot be present at an exam due to illness or scheduling problems, you must communicate with your instructor before the exam begins in order to be eligible to take a make-up exam. NOTE: I reserve the right to proctor make-up exams which are more difficult than the regularly scheduled exam and to grade such exams with less generosity.

Economic Scrapbook

During the semester, your task is to choose articles from regularly published newspapers, magazines, or other reputable sources on topics related to economics and then write a minimum of two paragraphs about the article. The articles you choose must be relatively current and a copy of the article (or a web-link to the article) should be included in your scrapbook, clearly stating its source and date of publication. At least one paragraph pertaining to the article should provide a summary of the contents. Use your own words to illustrate the main points and/or perspective of the article. (Do not simply restate the wording of the article or use quotations from the article.) At least one paragraph should analyze the subject matter of the article, discussing the economic importance, relevance, and/or likely consequences. Assigned topics:

(1) Demand/Supply and prices  (5) Externalities, Public Goods or Asymmetric Information Problems
(2) Firms/Competition  
(3) Economic proposals/policies of the Obama Administration  (6) – (8) THREE ADDITIONAL articles on topics of your choosing.
(4) Unintended consequences of public policies
Creative Assignment

A creative assignment will determine an additional 14% of your grade. Projects will be graded on two primary criteria: (1) your application/incorporation of economic concepts and (2) your creativity. Past projects have included: economic videos, artwork, games, photo essays, poetry, songs, “raps”, short stories, web pages, film reviews, compilations of economic music/lyrics, notebooks of newspaper clippings with commentary, economic/business book reports, research papers, economic policy debates, editorial cartoons, powerpoint presentations, etc. (You are certainly not limited to these options if you have an original idea for satisfying this requirement.) Please use your imagination on this assignment!

Stock Investment Project

You will be asked to invest in stocks and mutual funds and adjust your portfolio throughout the semester. You are required to submit a brief analysis at the end of the semester providing details about the stocks in your portfolio, your overall investment strategy, the performance of your stock portfolio, and how your stock portfolio was impacted by economic conditions. You will receive $100,000 virtual dollars to invest. You are expected to INVEST A TOTAL OF $50,000 OR MORE IN AT LEAST SIX DIFFERENT STOCKS and/or mutual funds MOST OF THE TIME. Further details will be provided in class.

Due on or before December 16: (1) Orders page (2) Investment Summary (1.5 – 3 pages)

NOTE: If you do not begin investing during the first three weeks of the semester, you will not be eligible to receive full credit on this assignment. The longer you delay beginning this assignment (after the first three weeks), the lower the score you can expect to receive. If you do not invest in six stocks and spend $50,000 or more most of the time, you will lose points on this assignment.

If your instructor deems that you have exploited limitations of the Virtual Stock Exchange website to illegitimately earn stock returns, you will not be eligible for awarded bonus points.

Contest bonus points to be awarded: #1 – 10 points #2 – 8 points #3 – 7 points #4 – 6 points #5 – 5 points (Any bonus points accumulated during the semester are added to an exam, which can potentially boost a course grade.)

Website: [www.virtualstockexchange.com](http://www.virtualstockexchange.com)

Once you register (or log in) at the above website, use the information below to join the game:

<table>
<thead>
<tr>
<th>Game ID:</th>
<th>econ2elco</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game Password:</td>
<td>scarcity</td>
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</tbody>
</table>

I recommend that you explore the Research and News sections on the Virtual Stock Exchange website to learn more about stock markets and investing. Other websites which you may find useful for researching stocks and mutual funds for your portfolio are listed below:


**RECOMMENDED TEXTBOOK:** The recommended text for this course is Exploring Microeconomics by Robert L. Sexton (any edition). I recommend that you save money by buying the current or an older edition online. (You may also utilize another college-level principles of microeconomics textbook.)

**SUGGESTIONS:** It is also strongly advised that students frequently browse periodicals such as the Wall Street Journal, the weekly magazine The Economist, or other economic and financial news sources. It is important to be informed about current economic events, as such sources of information will provide some context for the course.
You may want to bring to class a set of colored pens or pencils (3-4 colors will do). (It makes the interpretation of graphs much easier.)

**GENERAL POLICIES:** You are responsible for material discussed in class and all material assigned in the textbook.

Attendance: Missing class is strongly discouraged. Your professor will be far less sympathetic to those who miss class regularly. If you miss class, you are responsible for acquiring the notes from a classmate. **AFTER THE THIRD EXAM, you will lose 1.5% point from your course grade for every (non-exam) class session that you miss (in order to discourage class absences of those not planning on taking the last exam.)**

Late Policy: Any material handed in late will be discounted at my discretion.

Plagiarism: Plagiarism will not be tolerated. Also, I reserve the right to move students during an exam, if I suspect you or your neighbor of academic dishonesty.

Disabilities: If you have a documented disability and wish to discuss academic accommodations, please contact me as soon as possible.

**COURSE TOPICS & TENTATIVE SCHEDULE:**

Our exact pace through this material will vary and partly be dependent on the degree of student interest in each topic. (Some topics are essential, however; I therefore reserve dictatorial powers.)

- **Weeks 1 - 3:**  The Nature of Economics
  - Scarcity/Production Possibilities Curve
  - Opportunity Cost/Marginal Analysis
- **Weeks 4 - 5:**  Demand and Supply and Market Equilibrium
- **Week 5:**  EXAM 1
- **Weeks 6 - 8:**  Government Intervention into Markets: Price Ceilings/Price Floors
  - Elasticity of Demand
  - Elasticity of Supply, Cross-Price Elasticity, Income Elasticity
  - Excise Taxes
  - Consumer Choice
  - The Firm
- **Week 8:**  EXAM 2
- **Weeks 9 - 10:**  Production Costs
  - Perfect Competition
- **Weeks 11 - 12:**  Monopoly
  - Antitrust Regulation
- **Week 12:**  EXAM 3
- **Weeks 13 - 14:**  Price Discrimination
  - Oligopoly and Strategic Behavior
  - Monopolistic Competition
- **Week 15:**  Market Failure: Public Goods and Externalities
  - Asymmetric Information (time permitting)
- **Week 16:**  EXAM 4

This syllabus will self-destruct in sixteen weeks.