

ECN 143.02 - PRINCIPLES OF MICROECONOMICS - Fall 2009

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Office Hours: 1.00 pm - 2.00 pm, Tuesday/Thursday (also by appointment). I plan to be available at these times; I suggest you telephone before visiting at another time.

Textbook: Baumol & Blinder, *Economics*

Course Outline:

Part 1 - *Introduction to Markets and the Consumer*

Graphics and Mathematics; How Economists Think (!)
The Economic Problem; The Factors of Production
Demand, Supply, and Equilibrium; Extensions
Elasticity of Demand and Supply with Applications
Introduction to the Theory of the Consumer

Part 2 - *The Theory of the Firm*

Production, Costs, and Profit Maximization
Price and Output Determination: Perfect Competition
Price and Output Determination: Pure Monopoly
Price and Output Determination: Monopolistic Competition & Oligopoly

Part 3 - *Additional Topics [time permitting]*

Government's Role in the Micro: Externalities and Public Goods

Important Dates:

- Thursday, 10 September: **Quiz 1** (20 points)
- Tuesday, 22 September: **Test 1** (100 points)
- Tuesday, 6 October: **Quiz 2** (20 points)
- Thursday, 22 October: **Quiz 3** (20 points)
- Thursday, 5 November: **Test 2** (100 points)
- Tuesday, 17 November: **Quiz 4** (20 points)
- Thursday, 3 December: **Test 3** (120 points), 3.00 pm

IMPORTANT INFORMATION

This is an economic theory course, typically the first or second you will take in your collegiate career. As such, the fundamental purpose of the course is to help you become a better critical thinker. To this end, you will work to develop and learn to trust your economic intuition, which you already possess. You will use that intuition to learn specific microeconomic principles and apply those principles to the analysis of real issues. Economic analysis is much more interesting when we can use it to explain something, especially our own behavior. If you have a question, never hesitate to ask; your questions, comments, and sense of humor are most welcome and vital to a good class. However, when I am lecturing, you must listen and allow others to listen as well. I am not fond of admonishing university students to be quiet.

QUIZZES

Expect four 20-point quizzes, on the dates specified above. If you miss class on the day of a scheduled quiz, you will receive a score of 0 for that quiz. I will not schedule make-ups for quizzes. Quizzes allow you practice in thinking about the material we have been covering recently. They mostly likely will contain five multiple-choice items. The best preparation for quizzes? Regular attendance, so that you will have full exposure to the concepts covered on the quizzes, and regular review of your class notes, so that you always have an understanding of concepts as the class progresses.

HOMEWORK SETS

Expect 3-5 homework sets, worth 20 points each, during the semester. You will always have one full

week to complete a homework set, and you will be given *two* opportunities to receive it. If you miss class when a homework set is assigned, you will receive a score of 0 on that homework set. There are no exceptions. Homework sets allow you practice in the application of quantitative methods (mainly algebra) to economic problems and an opportunity to exercise your critical thinking skills. The best preparation for homework sets? Regular attendance, so that you can receive the homework sets and so that you can see my examples of the types of analysis required on the homework sets. Note: When homework is assigned, heed the instructions! LATE HOMEWORK POLICY: Remember, a homework set may be turned in for points only if you have received it in class on one of the two days it was made available. A homework set is considered *late* if it is turned in after the class meeting in which the homework is due, as specified in the homework set's instructions. Homework submitted *same-day* late (i.e., turned in after that class meeting but prior to the end of that day) will receive a deduction of 4 points. Homework submitted *one-day* late (i.e., submitted the day after the official due date) will receive a deduction of 8 points. I will not accept homework submitted later than this.

TESTS

Tests consist of multiple-choice items (Part 1), not unlike those seen on quizzes, and written items (Part 2). The latter require you to solve conceptual problems using the analytic tools, concepts, and definitions introduced in class, including but not limited to quantitative approaches seen on homework sets. Part 2 items reward your critical-thinking, analytical, and writing skills. At all times, I am interested in your ability to do economic analysis, not your ability to regurgitate your lecture notes. Don't approach economics as you might other fields. That is, don't attempt to *memorize* certain minute relationships. Rather, concentrate on *learning concepts*. By doing this, you will actually retain the material and will be able to apply the things you learn to *any* situation, not just one memorized case. The best preparation for tests? Regular attendance, full practice on quizzes and homework sets, *regular* review of your class notes, and careful study of key review items, which I will provide prior to every test. Please note that I do not post test scores or class grades on bulletin boards, nor do I give out this information over the telephone or other media. If you suspect you will have to miss an exam, you must contact me *in advance* to reschedule.

THE CURVED SCALE

Part of becoming a better thinker in general, and developing critical thinking skills in economics in particular, is being challenged, making the occasional error, and learning from the experience; there is no better teacher. The curved grading scale used in this course allows you to do this and yet earn the mark (A, B, C, etc.) you deserve. We can teach economics to make it easy for you to excel within a standardized 90-80-70-type scale, but you wouldn't learn much—and this is all about learning. Here's an example of how the scale works....At any point in time, there will be an accumulation of total points. Suppose at some point the mean number of points is 120 and the standard deviation is 20. Customarily I let the mean represent the highest C and let the standard deviation determine the length of the grade interval. Thus, in this example the current grading scale would be:

- A: 142-
- B: 121-141
- C: 100-120
- D: 79-99

Since the mean and standard deviation continuously change, I will give you updates on the scale periodically during the semester.

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