

ECFI 201 Principles of Economics: Micro Syllabus – Fall 2006

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Course Description:

An introductory study of the principles that affect goals, incentives, and outcomes of economic behavior at the level of the individual decision maker. Specific topics include the operation of both product and resource markets, the behavior of firms and industries under different market structures, and international exchange.

Course Objectives:

Students who have successfully completed Principles of Microeconomics are expected to 1) understand the nature of “the economic problem;” 2) understand and be able to apply the demand and supply model to analyze a variety of situations that involve both individual and collective decision making; 3) understand the various production and cost concepts; 4) understand price/output determination models associated with competitive and imperfectly competitive markets; and 5) evaluate how the performance of firms and the resulting impact on society is affected by the market structure in which they operate.

TEXTBOOKS

Students have options:

1. Buy the text and course key, bundled together, from the FHSU Bookstore. This option is probably best for students receiving financial aid.

2. Buy the online version of the text and the course key, online at <http://Aplia.com>.

Make sure you have read the class handout on textbook options before making your choice.

COURSE GOALS

- Learn how consumer choice is influenced by relative prices, preferences, expectations, income and wealth;
- Be familiar with the concepts of scarcity, opportunity cost, marginal analysis, specialization, comparative advantage, fixed and variable costs, and how each affects consumer, producer and societal choice.
- Know the basics of the causes and effects of absolute and relative poverty and wealth.
- Use demand and supply analysis to understand price and output determination under conditions of free markets, price ceilings, price floors, and fixed prices.
- Be able to understand and use the ideas of elasticity of demand/price, demand/income, demand/related-good-price and supply/price.
- Determine the sources of productivity growth.
- Distinguish between the market structures of perfect competition, monopoly, oligopoly, monopolistic competition, and how society's goals may be affected by each.

COURSE OUTLINE

The Principles of Microeconomics course is an introductory study of the goals, incentives, and outcomes of economic behavior at the level of the individual decision maker. Specific topics include the operation of both product and resource markets, the behavior of firms and industries under different market structures, and international exchange. We will cover the major principles that make economics unique in the social sciences, with emphasis on understanding the causes and consequences of microeconomic activity. The major topics are opportunity cost, tradeoffs, price theory, elasticity, productivity and cost, market structures, resource markets, poverty, trade and specialization. We will be absorbing the bedrock knowledge necessary to understand the wellspring of our amazing material abundance -- the modern, networked, specialized economy.

The textbook serves us as the primary reference resource. The best way to use the textbook is to first scan the assigned chapter(s), then read carefully. The end-of-chapter questions will be assigned from time to time, and are very useful as sample exam questions. It is also helpful for understanding to make notes or notecards after reading, when ideas are fresh in your mind. Many lectures include material not in the textbook, so class attendance and careful note-taking are necessary.

Next comes the online practice exercises and graded assignments, problem sets and quizzes. **The graded assignments are due each Monday. They *must* be done by the DUE DATE, in order to receive points for them. Once the due date has passed, the exercises are unavailable.**

Coverage

We will cover the text chapters, practice exercises and graded exercises as indicated in the course outline. The last few weeks of the course are open, to be filled by special topics of interest to students at that time.

Grading Scale

A: Excellent performance on all aspects of the course. Minimum mean of 90%.

B: Superior performance on most aspects of the course. 80% to 90%.

C: Average performance on most aspects of the course; indication of comprehension of the basics of course material. 70% to 80%.

D: Lower than average performance on most aspects of the course. Indication of some comprehension of the basic course material. 60% to 68%.

U: Unacceptable. Inadequate performance. Less than 60%.

Makeup Policy

There is no makeup policy. No makeups are allowed, for any work, for any reason. In this aspect, grading is like life, especially economic life. However, three of the graded online exercises will be dropped at semester's end, for grade calculations. In this aspect, grading is like redemption.

Supplies

Examinations and some assignments may be scored by machine. Each student should purchase a package of Scantron forms, available at the Union Bookstore and the Corner Bookstore. Bring a pencil to class. Scantron forms require pencil marking.

Miscellaneous

A calculator is a modern essential. If you do not already have one, you should buy one, preferably a financial calculator, and familiarize yourself with its use. Texas Instruments sells an inexpensive financial calculator with a time-value-of-money algorithm built in; some students prefer HP Business Analyst models. Whatever you buy should have an exponent key included. We will do sample problems in class, so always bring your calculator to class with you. Many of the problems and solutions are in the text, and end-of-chapter questions make good material for assignments and in-class discussion, so you should also bring the textbook and study guide to class. If you miss class see a classmate about handouts and assignments given in your absence.

Study groups are valuable. Ask fellow students to join you in a study group. Get together with other study groups. You can help each other fill in the gaps in your notes, or discuss what the instructor meant in a particular passage, or prepare for examinations, or discuss what you missed during an absence, and so on. For that reason, it is wise to meet and exchange phone numbers and email addresses with your fellow students.

A good way to learn economics is to practice thinking about the world in economic terms. What financial incentives motivate you, your friends, your family? How do economic incentives affect your individual behavior, your beliefs, your politics, your views about right and wrong? Watch the news broadcasts for economics articles, stock

market news, interest rate stories, the price of oil, natural gas, gasoline. How are GM, Ford, Google, Walmart doing? What's the price of wheat? Scan Newsweek and Time business sections. Read the Wall Street Journal, especially the economy section (page A2) and the credit markets page (usually found in section C). A daily visit to the [New York Times](#) (which has an excellent business section) or to the [Washington Post](#) may help to increase your interest in, and understanding of financial economics topics.

INTERNET SERVICE PROVIDERS: FHSU students are entitled to internet access from home or dormitory or office. Try the [FHSU internet services web site at www.fhsu.edu/ctc/helpdesk](#). Or you can [send eMail to the Internet Helpdesk at helpdesk@fhsu.edu](#) or call the Helpdesk at (785) 628-5276.