

ECFI 201 Section D Fall, 2006
104 McCartney, Tues-Thurs 7:30 – 8:45

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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.

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.

Syllabus

- I. Introduction:
 - a. Chapter 1 – General Economics and terminology
 - b. Chapter 2 – Scarcity, Production Possibilities, Factors of Production, Circular Flow model
 - c. **EXAM 1 – 15%**
 - d. **Chapter 3 – SUPPLY AND DEMAND**
 - e. **EXAM 2 – 15%**
 - f. Chapter 4 – Market System, Markets and Prices, Specialization
 - g. Chapter 5 – U.S. Economy – Public and Private Sectors, Income Distribution, Competition, Public/Private Goods, Funding Government
 - h. Chapter 6 – U.S. in the Global Economy – SKIP THIS!
 - i. **EXAM 3 – 15%**

- II. Microeconomics of Product Markets:
 - a. Chapter 7 – Elasticity of Demand and Supply, Inelastic/Elastic Demand and Supply, Determinants, Short-Run vs. Long-RunE
 - b. **EXAM 4 – 15%**
 - c. Chapter 8 - Consumer Behavior and Utility Maximization, Income and Substitution Effect, Utility, Time Value – May skip or only skim this chapter.
 - d. Chapter 9 - Costs of Production, Explicit and Implicit Costs, Profits, Law of Diminishing Returns, MC, ATC, VC, FC, AFC concepts, Economies of Scale, Sunk Costs
 - e. **EXAM 5 – 15%**
 - f. Chapter 10 – Pure Competition, Characteristics, AR, TR, MR concepts, Profit Maximization, MR=MC rule, Graphs, Competition and Efficiency, The Invisible Hand Revisited
 - g. Chapter 11 – Pure Monopoly, Characteristics, Barriers to Entry, Monopoly and Elasticity, Economic Effects of Monopoly Power, Price Discrimination.
 - h. Chapter 12 – Monopolistic Competition and Oligopoly, Characteristics, Efficiency, Oligopoly Models, Collusion – If Time allows.....
 - i. **EXAM 6 – 15%**
 - j. **REVIEW and COMPREHENSIVE FINAL – 25%**
 - i. Final Can Raise Your Grade!
 - ii. Extra Credit?????
 - k. NOTE: Automatically drop the lowest of the six exams (i.e. top 5 of 6 scores yield 75% of final grade). Comprehensive Final will not be dropped from calculation of final grade.