ECON 2120-005: Principles of Microeconomics

SPRING 2010

Professor: Dr. Julie Heath
BA 409
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Office Hours: TR 12:45-2:15 or by appointment

Class: TR 11:20 – 12:45, Room 128


Course Description:

Economics is the study of human action. To understand how people can cooperate in social orders, and why they often cannot, we need to have a framework for understanding human action and its consequences. Economics provides one such framework. This is a course in microeconomics: the theory of consumers, prices, and markets. Microeconomics has been applied to issues ranging from those expected in economics, such as what determines the price of consumer goods, to such things as how people vote, how much education they acquire, and how many children they have.

The purpose of this course is to actively engage you in the discovery of the economic content of everyday life. We will explore a range of topics and applications concerning how individuals make decisions about what to consume, produce, buy and sell, and how they interact with other consumers, producers, buyers and sellers in the marketplace. We will also address the role of government in the system, and policy areas such as regulation, antitrust, taxation, poverty and welfare.

Learning Objectives:

The primary objective of this class is to train you to think like an economist. Thinking like an economist involves two things: you should be able to apply core economic concepts to the real world, and you should have the tendency to do so. The primary learning objective, therefore, is to change the way you look at your world—to observe situations, relationships, etc. in an economic way. Be forewarned: memorization will get you nowhere in this class!

I will be providing numerous examples of how you can observe economics in your everyday life, how economics can answer those “I’ve always wondered about…” kinds of questions. The objective is to transfer to you the ability to see the world with an economist’s eyes.
Course Structure:

During this semester you will be introduced to the mechanics of the market economy. You will see how and why markets work well and not so well. We will also examine the impact of government intervention on market processes. Throughout the semester, we will investigate several policy issues from an economic point of view, including drug prohibition, minimum wages, pollution, etc. I encourage you, not only as a participant in this class, but also as a member of society, to ask questions and raise issues of concern. Above all, I hope that you come away from this course with a useful framework to help you make some sense of the world.

How This Course Will Be Different:

1. In addition to lecturing, I will be involving you in several class experiments. These experiments are designed to make you an active participant in the discovery of various economic concepts. In a sense, then, being a member of this class is a lot like being invited to a cannibal’s house for dinner; sometimes you’re the guest and sometimes you’re the dinner.

2. We will be using an on-line teaching tool, myeconlab. You will have assignments to do through myeconlab, graphs to manipulate, etc. All are designed to keep you actively engaged in class, rather than be a passive student.

Course Requirements:

1. Tests: We will have 4 tests during the course of the semester, each test covering only the material since the previous exam. Exams will be a combination of multiple choice and short answer. You may bring one 3x5 index card to each exam containing any information you would like.
2. Homework: There will be many homework assignments on myeconlab, totaling 100 points on the myeconlab system.
3. Attendance: You will be given 5 points for each class you attend, beginning January 28. Test days are not included, and you are allowed 4 “pass” days. If you do not use all of your pass days, you may earn up to 20 extra credit points.

The specific allocations to your final grade are as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Exams</td>
<td>400 pts.</td>
</tr>
<tr>
<td>Homework</td>
<td>100 pts.</td>
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<tr>
<td>Attendance</td>
<td>80 pts.</td>
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<td>Total possible</td>
<td>580 pts.</td>
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Your letter grade will be determined by a standard 10-point scale: 522 and above=A; 464-521 = B, etc. Below 406 is a D.
Additional Requirements:

- When you attend class, be on time and do not leave until class is dismissed. Late arrivals and early departures are very disruptive to your fellow students and to me. If nature calls so loudly that you must answer, please leave and return to the classroom as quietly as possible.
- No eating in class. This class covers lunchtime. We are all hungry. Don’t rub it in.
- Please avoid carrying on private conversations in class. This behavior shows disrespect for your classmates and me, and it can have a negative impact on the learning experience of the entire class.
- Please turn off all cell phones, pagers, etc. If you are unable to turn off these electronic devices, have them on mute or leave them at home.
- On test day you may not wear any type of cap or hat with a brim that faces forward.

Course Responsibilities:

My primary responsibility is to lead, guide, and motivate a group of committed and dedicated students in the learning process, and to determine the extent to which students have mastered the material covered in the course. I am committed to this task. Your responsibility is to be an active learner, to participate in discussions, to be open to new ideas. If you are unwilling to accept this responsibility, it will be reflected in your grade.

Attendance, student participation, and enthusiasm are essential ingredients for success in this course. I expect the classroom to be an environment that is conducive to active learning. I encourage you to check with your neighbor to make sure that you understand the material being presented in class.

Specifically,

I expect you to come to class. Part of your grade depends on it, but attendance and performance are highly correlated. Not coming to class is a bad sign.

I expect you to come to class unplugged.

If you cannot attend a class, you are responsible for obtaining any information that is given in class.

I expect you to do your own work. Always. If you don’t, I’ll nail you for cheating and give you an F for the course. At minimum. Cheating includes signing in for someone who is not here. I quickly learn names, so I will know if someone has signed in for you.

I expect you to turn assignments in on time. If you don’t, they won’t be graded.

I expect you to let me know beforehand if you cannot take an exam (class time of the day of, is the latest). Accommodations can be made for a make-up if you do. If you don’t, you forfeit the exam.

I expect you to ask questions when you don’t understand something, to come to my office when you need help and to generally take responsibility for your education.
You should expect me to be excited and enthusiastic about each and every class.

You should expect me to treat you with respect.

You should expect me to do what I say I’ll do.

You should expect me to return tests promptly.

You should expect me to make appropriate accommodations for students who have registered with the Students with Disabilities Office.

You should NOT expect me to give extra credit assignments. Extra credit is worked into every test and you have the opportunity to get extra credit through attendance.

**Additional Suggestions:**

Large classes can encourage students to be passive. When it comes time to take an exam, students may have trouble formulating economic ideas because they have not had practice doing so. To avoid passivity:

- Read, or at least skim, reading assignments before they are discussed in class. Lectures will be considerably more valuable and it will help you keep up.
- **Do not expect to be able to memorize your way through this course.**
- Work problem sets, even those that are not be assigned. *Doing problem sets is not the same as reading them, looking at the answers, and deciding that it all makes sense.* Most students find a substantial gap between the passive step of having material sound reasonable when they read it or hear it, and the active step of actually solving problems.
- Discuss the material with others. Consider forming a study group with some other students.
- Visit the text’s website. It has many opportunities for you to do self-tests, manipulate graphs, look at video tutorials, etc. It is [www.prenhall.com/hubbard](http://www.prenhall.com/hubbard)
Course Schedule:

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<thead>
<tr>
<th>Dates</th>
<th>Topics</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>Jan. 14-Feb. 4</td>
<td>Introduction</td>
<td>1</td>
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<tr>
<td></td>
<td>Trade-offs</td>
<td>2</td>
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<tr>
<td></td>
<td>Supply and Demand</td>
<td>3</td>
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<td></td>
<td>Economic Efficiency</td>
<td>4</td>
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**February 9**

Test #1

Feb. 11-Mar. 2

Externalities 5

Elasticity 6

Consumer Choice 9

Production and Costs 10

**March 4**

Test #2

Mar. 16-Apr. 1

Perfect Competition 11

Monopolistic Competition 12

Oligopoly 13

Monopoly 14

**April 6**

Test #3

Apr. 13-Apr. 27

Pricing Strategy 15

Labor 16

Economics of Information 17

**May 6**

Test #4: 8:00 a.m.

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Note: March 19 is the last day to drop without getting an F for the course.
We will not have class on Jan. 26 and April 8