

ECON 2106: PRINCIPLES OF MICROECONOMICS
Fall Semester 2017

Section 03: MW, 12:30-1:45, Miller 1201
Section 04: MW, 2:00-3:15, Miller 1201

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Contact Hours: Office: MW, 12:00-12:30, 1:45-2:00, 3:15-3:30, 4:45-6:45, and by Appointment.
Email: TR, 7:00-9:00 p.m.

Texts: Class Notes (I'll send you this as a pdf file.)
Parkin, Microeconomics, 12th Edition, 2015, ISBN: 978-0-13-387229-7.

Prerequisites: The College of Business requires a 2.0 grade point average for first time enrollees in its courses.

Course Description: This course provides an introduction to the role of prices; models of consumers' consumption and sellers' production decisions, the interaction between consumers and firms in markets; and the role of various market structures in determining resource and good allocations. Market failure and the role of government in a market economy are also discussed.

Course Objectives: To build an understanding of the behavior of consumers and firms; to develop skills in applying supply and demand analysis to real-world events; to determine the implications of market structure on consumers' welfare and firms' profits; and to recognize the conditions under which the market mechanism fails to efficiently allocate goods and services. Upon successfully completing this course you will be able to :

- describe basic economic concepts such as scarcity and opportunity costs,
- summarize in writing the key microeconomic concepts contained in an article from a business periodical, e.g., the Wall Street Journal,
- demonstrate a basic knowledge of microeconomic concepts such as utility maximization, profit maximization, elasticity, costs, market structure and labor markets,
- recognize the economic dimensions of government involvement in markets including regulation and the provision of public goods, and
- analyze current events using economic models such as supply and demand.

Objectives and further information for each Economics Degree can be found at

B.B.A.: https://www.westga.edu/academics/business/economics/program_page.php?program_id=17

B.S.: https://www.westga.edu/academics/business/economics/program_page.php?program_id=32

B.A.: https://www.westga.edu/academics/business/economics/program_page.php?program_id=9

Course Requirements:¹ There will be three tests: **two in-class tests** and a **cumulative final**. In addition, I will on occasion assign **in-class extra credit assignments**. Each of these will typically be worth one point on the next in-class exam. Your three test scores will be weighted equally to determine your cumulative average.

For example, say you completed two extra credit assignments for exam one and scored 74 on the exam itself. You complete two extra credit assignments for exam two and make an 80 on test two itself. Finally, you complete four extra credits for the final exam and score 84 on the exam itself. Your three test scores would be 76 for test one (raw score 74 plus two extra credit points), 82 for test two (two extra credit points added to your raw score of 80) and 88 on the final exam (four extra credit points plus your raw score of 84). Your cumulative average would be 82 (the average of 76, 82 and 88).

Honors Credit: For those seeking honors credit, there will also be a short, analytical paper. The paper will be due the last day of class. It will be graded on a Pass/Fail basis. Failing to submit an acceptable paper will reduce a student's overall grade by one letter grade.

Attendance Policy: Attending class is a personal decision--I do not take roll. However, attendance and performance in the course tend to be positively correlated.

Make-up Policy: **Make-ups on any assignment require written, verifiable documentation of circumstances beyond the student's control. Otherwise, a "0" will be entered for the missed assignment or exam.**

Academic Integrity: You may, and are strongly encourage to, work with your classmates on in-class or homework problems, practice tests, and test preparation. The tests themselves, however, are strictly individual assignments: sharing the content or answers to them is a breach of the University's code of conduct. Students will receive a "0" for either receiving or giving such information for the test in question.

Grading: NO CURVE.

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|----|--------|----|----------|
| A: | 90-100 | D: | 60-69 |
| B: | 80-89 | F: | Below 60 |
| C: | 70-79 | | |

Withdrawals: The last day to withdraw with a guaranteed "W" is Friday, September 29, 2017.

¹The policies outlined below are specific to these sections of this specific class. Other University-wide policies that govern this course are listed at:

COURSE OUTLINE

The outline below is suggested. The pace of the course will be determined by the students. We will stress comprehension of material over breadth of coverage. Any changes to the class schedule will be announced in class. **Students are responsible for any changes in the class schedule.**

| <u>Date</u> | <u>Topic/Subsection</u> | <u>Reading</u> |
|----------------|--|----------------------------------|
| W, 8/09 | Review Syllabus; Math Pre-Test Topic 0: Introduction | Ch 1: Appendix Ch 1, Ch 3: 56 |
| | Topic 1: Consumer Theory | |
| M, 8/14 | 1.1 The Budget Constraint | Ch 9: 201-4 |
| W, 8/16 | 1.2 Consumer Preferences | Ch 9: 205-8 |
| M, 8/21 | 1.3 Utility Maximization | Ch 9: 208-9 |
| W, 8/23 | 1.4 Utility Maximization and Income Changes | Ch 9: 211-3 |
| | Note: We're skipping Section 1.5 in your course packet. | |
| | 1.6 The Individual Demand Function, Part I | Ch 9: 208-11 |
| M, 8/28 | 1.6 The Individual Demand Function, Part II | Ch 3: 57-61 |
| | Topic 2: Demand, Supply and Market Equilibrium | |
| | 2.1 The Market Demand Function | Ch 5: 108-9 |
| W, 8/30 | 2.2 The Firm's Supply Function, Part I | Ch 3: 62-5 |
| M, 9/04 | Labor Day Holiday—No Class | |
| W, 9/06 | 2.2 The Firm's Supply Function, Part II | |
| | 2.3 The Market Supply Function | Ch 5: 109-10 |
| M, 9/11 | 2.4 Market Equilibrium | Ch 3: 66-7 |
| | 2.5 Market Equilibrium Adjustment to Market Demand and Supply Shifts | Ch 3: 68-73 |
| | <i>End of material for Exam 1.</i> | |
| W, 9/13 | Practice Test 1 Due. Review 1. | |
| M, 9/18 | Exam 1 | |
| | Topic 3: Demand and Supply Issues and Extensions | |
| W, 9/20 | 3.1 Gains from Trade | Ch 5: 108-12 |
| M, 9/25 | 3.2 Elasticities, Part I | Ch 4 |
| W, 9/27 | 3.2 Elasticities, Part II | |
| F, 9/29 | Last day to withdraw with a guaranteed "W" is Friday, September 29. | |
| | Topic 4: The Firm, Production, and the Cost of Production | |
| M, 10/02 | 4.1 Theory of the Firm | Ch 10: 223-32, 238-9 |
| W, 10/04 | 4.2 Production Overview | Ch 11: 247-8 |
| | 4.3 Short Run Production | Ch 11: 249-52 |
| M, 10/09 | 4.4 Short Run Costs | Ch 11: 253-9 |
| W, 10/11 | 4.5 Long Run Production | Ch 11: 260-3 |
| | 4.6 Long Run Costs | |
| | <i>End of material for Exam 2.</i> | |

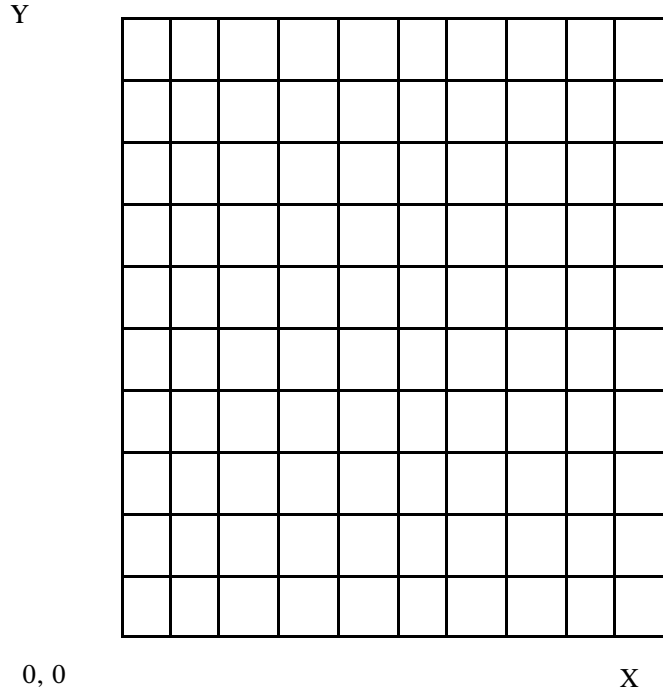
| <u>Date</u> | <u>Topic/Subsection</u> | <u>Reading</u> |
|------------------------------------|--|------------------------|
| M, 10/16 W, 10/18 | Practice Test 2 Due. Review 2. Exam 2 | |
| | Topic 5: Industry Structure and Its Implications | |
| M, 10/23 | 5.1 Industry Structure Overview | Ch 10: 233-7 |
| W, 10/25 | 5.2 Perfect Competition in the Short Run, Part I | Ch 12 |
| M, 10/30 | 5.2 Perfect Competition in the Short Run, Part II | |
| W, 11/01 | 5.2 Perfect Competition in the Short Run, Part III | |
| | 5.3 Perfect Competition in the Long Run | |
| M, 11/06 | 5.4 Monopoly in the Short Run, Part I | Ch 13 |
| W, 11/08 | 5.4 Monopoly in the Short Run, Part II | |
| | 5.5 Monopoly in the Long Run | |
| M, 11/13 | 5.6 Monopolistic Competition | Ch 14 |
| | 5.7 Oligopoly | Ch 15 |
| | Topic 6 : Input Markets | |
| W, 11/15 | 6.1 Labor Markets | Ch 18 |
| M-F, 11/20-11/24 | Thanksgiving Holiday–No Class | |
| | Topic 7: Market and Policy Failure | |
| M, 11/27 | 7.0 Overview of Role of Government | Ch 5: 106-107, 112-121 |
| | 7.1 Market Failure/Antitrust Regulation | Ch 16, Ch 17 |
| | 7.2 Price Ceilings/Price Floors | Ch 6: 127-133 |
| | Topic 8: International Trade (Time Allowing) | Ch 7 |
| W, 11/29 | Practice Test 3 Due. Review 3 | |

Everything covered in the course is fair game for the final!

FINAL EXAM: **Section 03 (12:30-1:45): Monday, December 4, 11:00 am-1:00 pm**
Section 04 (2:00-3:15): Monday, December 4, 2:00 pm - 4:00 pm

MATH PRETEST

1. On the graph below, graph the line: $y = x + 1$.



2. On the same graph, graph the line $y = 7 - 2x$.
3. Which equation represents a positive relationship between x and y ?
4. Which equation represents a negative relationship between x and y ?
5. If a stock's price goes from \$60 to \$40, then what is the percentage change in the stock's price?
6. Simplify the complex fraction:

$$\frac{\frac{4}{5}}{\frac{2}{3}}$$