

University of Maine
School of Economics

ECO 120 (002) Principles of Microeconomics
Fall 2011

Instructor

Hsiang-tai Cheng, Associate Professor

Office: 200 Winslow Hall

Office Hours: Wednesday and Friday 9:00AM-11:00AM. Please contact me to set up an appointment.

Phone: (207) 581-3155

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Teaching Assistant

Dung Tran, undergraduate Teaching Assistant

Stevens Hall Room 305 – Economics Laboratory & Advising Center

Phone: (207) 581-1866 (this is a shared Economics Lab phone)

Office hours: Tuesday and Thursdays 12:00-2:00.

Time/Location: Tuesdays and Thursdays 2:00-3:15PM
Barrows Hall 125

Required Text:

Hubbard, R. Glenn, and O'Brien, Anthony. 2010. *Microeconomics*, third edition. Prentice Hall, Boston, MA.

Course Description:

This course is intended to introduce students to the concepts and terminology of microeconomics, and demonstrate to students how microeconomic analysis can explain (and contribute to solving) current issues. We will develop an understanding of how markets work to allocate limited resources and will focus on the conditions necessary for an outcome to be efficient (and what it means when those conditions are not met).

Prerequisites: MAT 111

Course Learning Objectives:

This course is a requirement for many majors and minors including: economics, business administration (including concentrations in marketing, finance, accounting, etc.), construction management and many more. Additionally, this course meets the University of Maine's general education requirement for the area of Social Contexts and Institutions.

Course objectives:

- Expand your understanding of the economic relationship existing between individuals, firms and social institutions such as the government.
- Introduce you to essential tools of economic analysis, including equilibrium for markets, and optimal choices for individuals.

- Reveal the important role that economics plays in everyday life – and help you explain everyday phenomena from an economic perspective.

Course Learning Outcomes:

By the end of the semester you will be able to:

- 1) Use the basic terminology of microeconomics, including a brief definition of microeconomics.
- 2) Apply the concepts of scarcity and opportunity cost in discussing consumer and firm decision-making.
- 3) Identify market equilibrium, and the impact on consumer and firm welfare
- 4) Identify changes in supply and demand, and their impact on market equilibrium
- 5) Discuss demand and supply elasticity, and the impact on consumer, producer and government choices.
- 6) Understand how different market structures affect market equilibrium and welfare outcomes.
- 7) Identify market failures, and understand economic and social policies which affect market equilibrium and welfare outcomes

The above stated objectives and outcomes address the learning outcome goals for the University of Maine's general education requirement for the area of Social Context and Institutions which state: Courses included in the Social Contexts and Institutions category focus upon the ways in which social contexts shape and limit human institutions. The specific focus may be upon ways in which social contexts and institutions interact with human values, the role of institutions in expressing cultural values, or the social and ethical dimensions attendant upon particular academic disciplines.

CLASS PROCEDURES AND REQUIREMENTS

1. How will I (the student) be graded?

Unannounced Quizzes

There will be five unannounced quizzes throughout the semester. Each quiz will be worth 20 points and the instructor will throw out the quiz for which you received the lowest score. **The unannounced quizzes cannot be made up.** If you do not attend class the day a quiz is given, you will receive a zero for that quiz.

Homework

There will be equally weighted homework assignments throughout the semester. Homework should be turned in on the time instructed to receive credit.

Exams

There will be three midterm exams and a final exam this semester. All exams are closed book and comprehensive, including all material from readings and lecture. The exams will consist of multiple choice, true-false and essay questions/problems. Grades will be determined using a curve, so your performance will be judged relative to the performance of others in the class. The final exam will be comprehensive—it will cover material discussed since the third midterm exam as well as all material that was covered earlier in the semester.

There will be no exam make-ups without prior approval except under extremely unusual circumstances.

If you will be missing an exam due to representing the University (i.e. athletics, conferences, etc.) please let me know as soon as possible – but definitely BEFORE the exam you will miss. If you miss an exam for other excused reasons (i.e. illness, family loss) you need to speak with me ASAP, and bring proof of your reason for absence. Failure to take an exam, or produce documentation for missing an exam, will result in a grade of a zero. *Makeup exams must be completed on the time/day indicated by the instructor and may not be taken more than one week after the missed exam.*

Class Attendance

We will cover some material that is not in the book. Please note that **Exams will be based on both readings and materials discussed in class.** *Your best bet for success is to attend class.*

Grades

Grades will be determined by a 850 point scale:

	Possible score	Percent
Unannounced Quizzes	80 points	10.0%
Homework (six)	300 points	37.5%
First Midterm Exam	100 points	12.5%
Second Midterm Exam	100 points	12.5%
Third Midterm Exam	100 points	12.5%
Final Exam	120 points	15.0%
Total	800 points	100.0%

Course letter grade will be assigned according to the following tentative scale:

Letter Grade	Points	
A	752-800	above 93.9%
A-	720-751	90.0-93.9%
B+	696-719	87.0-89.9%
B	672-695	84.0-86.9%
B-	640-671	80.0-83.9%
C+	616-639	77.0-79.9%
C	592-615	74.0-76.9%
C-	560-591	70.0-73.9%
D+	536-559	67.0-69.9%
D	480-535	60.0-66.9%
F	<480	Blow 60%

2. What are the course policies?

Emailing Policy

Be respectful when emailing our course TAs, or myself. Use complete sentences, spell-check and express questions clearly. *We reserve the right not to respond to emails that don't meet these qualifications!*

** PLEASE only use the FirstClass mail system when emailing me!

Disability Policy

Students with a disability, who may require accommodation, please speak with me as early as possible in the semester to promote success in this course and/or with Ann Smith, Coordinator of Services for Students with Disabilities (Onward Building, 581-2319).

3. How can I get extra help?

Economics Laboratory & Advising Center

The School of Economics has a Student Laboratory & Advising Center in Stevens Hall Room 305. You can come to the lab at any time to receive assistance from TAs. I suggest you look at the economics lab calendar to determine when another TA specializing in Micro is available. The Economics Lab is also a great place to meet for group study sessions.

I am also available during other hours by appointment. Please contact me to set up an appointment.

In the event of disruption of normal classroom activities due to an H1N1 swine flu outbreak, the format for this course may be modified to enable completion of the course. In that event, you will be provided and addendum to this syllabus that will supersede this version.

Tentative Schedule

** Instructor reserves the right to modify the contents of this syllabus during the semester**

Week		date	lecture Topic	Reading	Assignment
1	Tu.	8/30	Syllabus overview Economic thinking	Intro	
	Th.	9/1	Economic foundation and Methods	Ch. 1 and appendix	
2	Tu.	9/6	Production possibilities and costs	Ch. 2: 2.1	HW#1 due
	Th.	9/8	Comparative advantage, trade, and market system	Ch. 2: 2.2, 2.3; Ch. 1:1.2	
3	Tu.	9/13	The demand side of the market	Ch. 3: 3.1	HW#2 due
	Th.	9/15	The supply side of the market; market equilibrium	Ch. 3: 3.2, 3.3	
4	Tu.	9/20	Effects of changes in demand and supply	Ch. 3: 3.4	
	Th.	9/22	<i>First Midterm Exam (Chapters 1, 2, and 3)</i>		
5	Tu.	9/27	Price elasticity of demand	Ch. 6: 6.1-6.3	
	Th.	9/29	Other demand elasticities and price elasticity of supply	Ch. 6: 6.4-6.6	
6	Tu.	10/4	Consumer choice	Ch. 9: 9.1	HW#3 due
	Th.	10/6	Consumer behavior and demand curve	Ch. 9: 9.2-9.3	
7	Tu.	10/11	Fall Break- no class		
	Th.	10/13	Indifference curves	Ch. 9-appendix	
8	Tu.	10/18	Indifference curve analysis	Ch. 9-appendix	
	Th.	10/20	Indifference curve analysis (cont.)		
9	Tu.	10/25	<i>Second Midterm Exam (Chapters 6 and 9)</i>		
	Th.	10/27	Production and cost	Ch. 10: p. 324-335	HW#4 due
10	Tu.	11/1	Production and cost (cont.)	Ch. 10: p. 335-344	
	Th.	11/3	Firms in perfectly competitive market	Ch. 11	
11	Tu.	11/8	Perfectly competition	Ch. 11	
	Th.	11/10	Monopoly	Ch. 14	HW#5 due
12	Tu.	11/15	Review ch. 10, 11, 14		
	Th.	11/17	<i>Third Midterm Exam (Chapters 10, 11, 14)</i>		
13	Tu.	11/22	Early Thanksgiving break		
	Th.	11/24	Thanksgiving-no class		
14	Tu.	11/29	Monopolistic Competition	Ch. 12	
	Th.	12/1	Oligopoly	Ch. 13	
15	Tu.	12/6	Externality and environmental policy	Ch. 5, pp. 132-142	HW#6 Due
	Th.	12/8			
	Week of Dec. 13 <i>Final Exam</i>				