

PRINCIPLES OF MICROECONOMICS (ECON 2010-100)
Department of Economics, University of Colorado
Spring 2015

Class time:	M,W,F: noon-12:50pm	Room:	MUEN E050
Professor:	Charles de Bartolome	Recitation instructor:	
Office hours:	M 4:00 -5:00 pm; Tu 10:30-11:30am Fri 2:15-3:15pm.	Recitation time:	
Office:	Econ 203.	Recitation place:	
e-mail:	debartol@colorado.edu	Recitation office hours:	
		Office:	

Textbook Mankiw, N. Gregory, Principles of Microeconomics (7th Edition) WITH APLIA ACCESS. Cengage Learning

Buying Aplia on its own is expensive. I have negotiated a price of \$100 for the bundle when the book plus Aplia is purchased at the Cengage Brain microsite:

<http://www.cengagebrain.com/course/1-1MYWXR>

On opening this micro-site, buy the bundle “ePack: Principle of Microeconomics, 7th + Mindlink for Aplia Instant Access” by pushing the buttons as:

SHOW OPTIONS
+ ADD TO CART
CHECKOUT

The bundle contains a loose-leaf printtext (which will be mailed to you) plus a Mindlink for Aplia access code. To access Aplia, not enter the code on the Cengage Brain site, but instead enter the code inside the course’s Desire2Learn (D2L) webpage.
(see below)

Aplia: Each student must enroll in Aplia. In addition to providing additional learning materials, there are weekly quizzes on Aplia which will be graded. Each quiz due by 10am on Monday

The first Aplia quiz is due at 10am on Monday, 26 January

“Clickers” Each student must buy a clicker. If you do not already own one, a clicker may be purchased at the University of Colorado bookstore. Clickers will be used to promote faculty-student interaction. They will also be used to give class problems which will be scored.

Clickers must be registered at <https://myCUinfo.colorado.edu>
Register using your Identity Login not your student ID.

Grading There are two midterm exams, a final exam, in-class clicker questions, a weekly graded quiz on Aplia, recitations, an experiment and a “verifying theory” exercise. The grade of the student will be determined as:

- 25% First Midterm,
- 25% Second Midterm,
- 25% Final
- 8% In-class clicker questions
- 8% Aplia quizzes
- 8% Recitations
- 1% Experiment

Concerning in-class clicker questions In-class clicker questions to reinforce the main point of a lecture. A correct answer receives 1 point and an absence or an incorrect answer receives zero points. In calculating your total score for all in-class clicker questions, we will sum your scores for all days omitting your three lowest daily scores.

Concerning recitations At the recitation, you are required to hand in an answer to the Problem Set which show evidence of effort (your answer need not be correct). If you are present and your answer shows evidence of effort, you will receive a score of 1 for that week. If you are not present at the recitation and do not hand in an answer, you will receive a score of zero for that week. Your recitation leader will determine how you will be treated if (1) you are present but the answer which you hand in shows no evidence of effort or if (2) you are not present but submit in advance to your recitation leader an answer showing evidence of effort. You may not ask somebody else to hand in an answer on your behalf. In calculating your total score for recitations, we will omit your two lowest weekly scores.

Concerning the “creating knowledge” exercise There are two due dates (to be announced) for an answer to the “creating knowledge” exercise. If an answer to the “creating knowledge” exercise is not handed in by the first due date, your course score will be lowered 1%. If the exercise is not passed by the second due date, your course score will be lowered 1%. EXAMPLE: The first due date is 25 February and the second due date is 11 March. A student gives in an answer to the “creating knowledge” exercise on 25 Feb but it is graded as incorrect. The student has until 11 March to submit a correct answer (he/she can have several answers before 11 March). If he/she submits a correct answer on or before 11 March, his/her overall course score is lowered 1%. If he/she fails to submit a correct answer on or before 11 March, his/her overall course score is lowered 2%.

Classroom courtesy:

Please turn your cell phone off prior to the start of class.

I believe that learning is enhanced if there is full concentration by both the instructor and the student. Therefore, using laptop computers in class is restricted to following the course notes. To facilitate this, laptops may be used in the front three rows of the classroom.

Religious Observances

Campus policy regarding religious observances requires that faculty take every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please let me know in a timely manner if one of the exam dates falls on a religious holiday you intend to observe and I will arrange for you to take a make-up. See policy details at:
http://www.colorado.edu/policies/fac_relig.html

Classroom Behavior

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, and age.

against or by any employee or student. For purposes of this CU Boulder policy “Protected Classes” refers to race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, or veteran status. Individuals who believe they have been discriminated against should contact the Office of Discrimination and Harassment (ODH) at (303) 492-2127 or the Office of Student Conduct (OSC) at (303) 492-5501. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://hr.colorado.edu/dh/Pages/default.aspx>

Course outline

A list of topics to be covered and likely dates is shown on the next page:

COURSE OUTLINE

Date

Topic

Chapter

9, 11, 13 Feb	HOUSEHOLD DECISION-MAKING: BENEFIT MAXIMIZATION Benefit = willingness to pay Consumer surplus Scarcity budget line. Decision-making marginal changes. Marginal benefit. Purchase decision rule: "marginal benefit = price" rule Consumer demand curve = marginal benefit curve. Individual net benefit (individual consumer surplus)	7 (pp. 135-140) and pp. 435-437
16 Feb	In-class review 7:00-9:00 pm FIRST MIDTERM	
18 Feb	HOUSEHOLD DECISION-MAKING AND SOCETAL GAINS Society's Marginal Benefit Society's Net Benefit (society's consumer surplus)	
20, 23 Feb	FIRM DECISION-MAKING AND SOCETAL GAINS Marginal changes Marginal cost Production decision rule: "marginal cost = price" rule Operating profit (producer surplus), marginal operating profit.	7 (pp. 141-144)
25, 27	EVALUATING THE MARKET OUTCOME Market efficiency First Fundamental Welfare Theory Limitations: equity	7 (pp. 144-151) and pp. 413-418
2, 4 Mar	APPLICATION OF MARKET EFFICIENCY International trade.	9 (pp.171-177, 180-189)
6,9,11,13,16 Mar	FIRMS: PRODUCTION AND COSTS Distinguishing accounting and economic costs. Production function, diminishing marginal product, Total Welfare Theory	13 (pp. 259-271)

Market 49

20 Mar	FIRM DECISION-MAKING: PROFIT MAXIMIZATION Profit maximization Marginal revenue. Entry Competitive firm's demand curve is horizontal Short-run and long-run	14 (pp. 279-282)
30 Mar, 1, 3 Apr	FIRM DECISION-MAKING: COMPETITIVE FIRM Presence rule of existing firm: "produce if price \geq min average variable cost" rule. Presence rule of new firm: "enter if price \geq min average total cost" rule Level rule: "produce till marginal cost = price" Firm supply curve in short-run and long-run.	14 (pp. 282-289)
6, 8 Apr	MARKET ADJUSTMENT Short-run market supply curve is upward sloping Long-run market supply curve is horizontal. In long-run: price = min average cost. Market dynamics in the short-run and in the long-run.	14 (pp. 289-293)
10,13,15,17 Apr	MARKET FAILURE: MONOPOLY Monopoly demand curve is downward sloping Monopoly marginal revenue $<$ price. Monopoly output choice: "marginal revenue = marginal cost" rule. Natural process of innovation, profits and entry Inefficiency deadweight loss. Public policy discussion.	15 (pp. 299-313, 319-323)
20,22,24,27 Apr	MARKET FAILURE: EXTERNALITIES Divergence of group and individual incentives. Public policy discussion	10
29 Apr	INPUT MARKET: LABOR Labor Demand: "wage = value of marginal product of labor" rule Labor Supply Market equilibrium	18 (pp. 373-386, 389-390)
1 May	In-class review	
5 May	1:30-4:00pm FINAL EXAM	