

**ECON 2010, Section 13**  
**Principles of Microeconomics**  
FALL 2014

**Time and Location:** Th 6:00-9:00 p.m., OSH 132

**Instructor:** Taeyoung Lee

Office: OSH 368

Office Hours: Th 3:00-5:50 p.m. and by appointment

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## Course Description

*ECON 2010 Principles of Microeconomics* is an introductory course that teaches the fundamentals of microeconomics. This course is suitable for both economics and non-economics majors. It provides economics majors with a solid understanding of conceptual and analytical frameworks which forms a foundation for further studies in economics. For non-economics majors, the course provides an opportunity to think critically about principles that govern the behaviors of economic agents.

After introductory discussions and mathematical reviews in the first week, the course will continue with a discussion of the workings of markets using the concepts of demand and supply, and the forces that determine market equilibrium. Our next topic will be market failure. Although markets are desirable in many cases, they often fail. Governments can sometimes help the functioning of markets. Our next interest is to examine how individual firms behave in competitive and noncompetitive markets. We will then focus our attention on labor markets and the accompanying issues of inequality and poverty. The course ends with an introductory discussion on how consumers make choices.

By the end of the course, you will be acquainted with the basic concepts and analytical tools of microeconomics and be able to solve basic economic problems. You will also be able to apply basic microeconomic tools to analyze policy issues that arise in the real economy.

## Required Text

*Principles of Microeconomics*, N. Gregory Mankiw, 7<sup>th</sup> Edition, Cengage Learning, 2014.

## Grading and Participation

Grading will be based on the following:

|   |     |
|---|-----|
| Two midterms (dates to be announced at least two weeks in advance):   | 30% |
| One cumulative final exam (6:00-8:00 p.m. on December 18 in OSH 132): | 30% |
| Weekly homework assignments:  | 40% |

There will be no makeup for missed exams under any circumstances. Any missed exam will receive a zero score.

All problems in the exams will require written solutions. There will be no multiple choice questions. Weekly homework assignments are to help you prepare for the exams, as well as to learn and digest the class materials on a weekly basis, rather than postponing it to a day before the exam.

Homework assignments are due at the beginning of each class. Any homework assignment that is not turned in on time will receive a zero score. If you don't do the homework or don't finish it, please don't miss class. Come to class on time and submit what you have even if it is blank because we will review the homework problems during class. Plus, you can redo and resubmit up to *four* homework assignments that are submitted *on time*. Any homework assignment that is not turned in at the beginning of each class will receive zero and *cannot* be resubmitted.

Insights and trainings that are necessary to do well in the homework assignments and exams will be offered during lectures. Thus, it is *essential* that you attend each and every class and participate in order to succeed.

## Other Issues

If you have any special considerations or concerns, I am happy to discuss them with you.

## Tentative Lecture Schedule

### Introduction and Mathematical Review

- Chapter 1: Ten Principles of Economics
- Chapter 2: Thinking Like an Economist
- Chapter 3 Interdependence and the Gains from Trade

### How Markets Work

- Chapter 4 The Market Forces of Supply Demand
- Chapter 5 Elasticity and its Application
- Chapter 6 Supply, Demand, and Government

### Markets and Welfare

- Chapter 7 Consumers, Producers, and the Efficiency of Markets
- Chapter 8 Application: The Cost of Taxation

## **The Economics of the Public Sector**

- Chapter 10 Externalities
- Chapter 11 Public Goods and Common Resources

## **Firm Behavior and the Organization of Industry**

- Chapter 13 The Cost of Production
- Chapter 14 Firms in Competitive Markets
- Chapter 15 Monopoly
- Chapter 16 Monopolistic Competition
- Chapter 17 Oligopoly

## **The Economics of Labor Markets**

- Chapter 18 The Markets for the Factors of Production
- Chapter 20 Income Inequality and Poverty

## **Advanced Topics**

- Chapter 21 The Theory of Consumer Choice