2012

ECON 200-09 Microeconomic Principles

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“We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.”

**GOAL:** ECON 200 is designed as an introduction to the theoretical foundations of microeconomics. The course serves as an introduction to the economic way of thinking and emphasizes microeconomics or the study of the economic decision-making of firms and individuals in a market setting.

**OBJECTIVES:**
Students completing this course should know and understand:

1. The economic way of thinking; the concepts of scarcity, choice and opportunity cost.
2. The concepts of comparative advantage and gains from exchange.
3. The basics of supply and demand analysis in micro markets.
4. The relationship between price elasticity of demand, price changes and total revenue or expenditure.
5. The change in price elasticity of supply between the immediate run, short run and long run.
6. The law of diminishing marginal utility and the conditions under which the consumer’s choices are in equilibrium.
8. The difference between accounting profits and economic profits.
9. The law of diminishing marginal productivity and its impact on short-run costs.
10. Determinants of long-run costs of production.
11. Profit maximization behavior in the short run and long run in
   a) perfectly competitive markets
   b) monopolistic markets
   c) monopolistically competitive markets
   d) oligopolistic markets
12. The concept of economic efficiency and conditions under which a competitive market is efficient.
13. The sources of market failure and potential market intervention to limit inefficiency.
14. The basics of market determination of equilibrium price and quantity in resource markets with special emphasis on labor markets.

The required text will be supplemented with readings concerning current events.
COURSE EVALUATION:

Quizzes/Homework Sets: There will be weekly assignments or short quizzes designed to reinforce and apply topics covered. Homework assignments are due the class period after assigned. If you are unable to attend class you may:

1) E-mail the assignment by class time on the due date.
2) FAX the assignment by the due date. FAX # 745-3692.

The assignments may be completed by individuals or by a “team” of students working together. Working on a team is strongly encouraged. If you choose to work with a team, the following applies:

1) A team can consist of no more than three students.
2) The team submits a single assignment.
3) All work reflects input from each member of the team, i.e., each question is discussed by all members.
4) Teams may be reorganized throughout the course of the semester.

There are no make-up assignments or quizzes. The lowest quiz/homework grade will be dropped prior to computing the average. The quizzes/homework sets comprise 25% of the final grade.

EXAMINATIONS: There will be three exams given during the course. These exams will be a mixture of multiple choice questions (approximately 65%) and essay/problems (approximately 35%). The exam with the highest score will be weighted 30%; the exam with the lowest score will be weighted 20%; and the remaining exam will be weighted 25%.

There will be no make-up of the exams unless approval is given prior to the examination.

ATTENDANCE: While attendance is not mandatory it is strongly encouraged. Students are responsible for all material covered in class lectures as well as knowing any announced changes from the course outline. Please see above policy on make-up exams.

ACADEMIC HONESTY:

http://catalog.xavier.acatalog.com/content.php?catoid=7&navoid=264#Academic_Honesty

GRADES: Will be assigned as follows:

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<thead>
<tr>
<th>Average</th>
<th>Grade</th>
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<tbody>
<tr>
<td>100-94</td>
<td>A</td>
</tr>
<tr>
<td>93-90</td>
<td>A-</td>
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<td>89-87</td>
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<td>69-60</td>
<td>D</td>
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<tr>
<td>59 or below</td>
<td>F</td>
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<tr>
<td>Date/Week of</td>
<td>Required Reading</td>
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<td>-------------</td>
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</tbody>
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| January 10  | C,F&O – Chapter 1  
The Scope and Method of Economics | Basic definitions: Economics, economizing behavior, positive vs. normative economics. |
| January 17  | C,F&O – Chapter 2  
The Economic Problem: Scarcity and Choice  
C,F&O – Chapter 20  
| January 24  | C,F&O – Chapter 3  
| January 31  | C,F&O – Chapter 4  
Demand and Supply Applications  
C,F&O – Chapter 20, pp. 419-428 | Applications of supply and demand analysis. |
| February 7  | C,F&O – Chapter 5  
Elasticity  
C,F&O – Chapter 6  
| February 16 | C,F&O – Chapter 7  
The Production Process: The Behavior of Profit-Maximizing Firms | |
| February 21 | C,F&O – Chapter 7, cont.  
C,F&O – Chapter 8  
<table>
<thead>
<tr>
<th>Date</th>
<th>Notes</th>
<th>Content</th>
</tr>
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<tbody>
<tr>
<td>March 6</td>
<td><strong>Spring Break</strong></td>
<td></td>
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<tr>
<td>March 13</td>
<td>Chapter 9, continued</td>
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<tr>
<td>April 10</td>
<td>C,F&amp;O – Chapter 13 Monopoly and Antitrust Policy</td>
<td>Monopolistic competition, the effect of product differentiation. Price and output determination in monopolistic competition. Wastes of monopolistic competition.</td>
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<tr>
<td>April 17</td>
<td>C,F&amp;O – Chapter 15 Monopolistic Competition</td>
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<tr>
<td>Tuesday, May 1</td>
<td><strong>Exam III</strong></td>
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<td>10:30AM –12:20PM</td>
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