

Course Information

Course Name: ECO231-7101 Principles of Microeconomics
Semester: Spring 2022 (Jan 18 – May 4)
Mode Asynchronous Online

Instructor Information

Instructor: Dr. Sarah B. Cosgrove, Professor
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Office Hours via Zoom Mondays 11-1, Tuesdays and Thursdays 9:30-10:30 AM or by appointment

Course Description:

Survey of the American economy focusing on markets, the price system, and resource allocation. Price determination in competitive and imperfectly competitive markets. Applications in agricultural economics, legal prices, excise taxes, labor market issues, advertising, technological change, pollution and the environment, public goods, antitrust policy, international trade, and alternative economic systems.

University Studies Fulfillment: 4A: Human Questions and Contexts OR 4B: The Nature of US Society

Course Credits: 3 credits

Required Materials: Pearson MyEconLab is a web-based application that we will use for your text, practice problems, and homework assignments. These reading and homework assignments will be integrated directly into myCourses so you will not need to access a separate website after you establish your account. When you access the text or an assignment on myCourses, you will be prompted to set up an account and purchase access to this resource. Please register today, as you already have assignments waiting for you.

Optional Text: *Foundations of Microeconomics, 9th Edition*, Bade and Parkin

As noted above, the e-version of this text is included with your Pearson registration. If you would like to purchase a paper version, used copies should be available.

Course Objectives

In addition to the unit-specific learning objectives listed below, there are several broader objectives for this course. Upon completing the course, students will be able to:

- Define key terms.
- Evaluate opportunity costs of decision-makers and determine the most efficient outcome.
- Illustrate concepts graphically.
- Solve mathematical applications of fundamental economic problems.
- Analyze numeric and graphical information and draw conclusions from that information.
- Explain the different facets of citizenship in the United States.
- Locate, analyze, summarize, paraphrase and synthesize material from a variety of sources.
- Evaluate arguments made in support of different perspectives on US society.

Electronic Communication

- Please use email when the subject is of a personal and confidential matter. If the question you ask is of a nature that even one other person in the course could benefit from the answer, post the question in the appropriate discussion board forum.
- I check my email daily Monday through Friday during normal business hours. You can expect a reply from me via email within 24 hours during the work week. You may get an email reply during the weekend, but that would be an exception not the rule.
- I will also check the discussion forums daily during the work week. I will post often during the first weeks of the course and then drop off in activity while expecting participants to fill any void. Rest assured however, I will be

participating in what I hope will be lively discussions and will always reply to any discussion comment directed specifically at me.

- I am not an instructor who sends email to my students when they submit an assignment. If you do not hear from me after submitting work, consider it a good thing.

Evaluation and Grading Breakdown:

3 Unit Exams	20% each for a total of 60%
Discussion Boards	10%
Homework Assignments	30%

Essential Course Policy Information

Late Assignments/Quizzes: Late assignments and quizzes will not be accepted. Please check assignment due dates and times carefully.

Missed Exams: Makeup exams will only be offered in extreme circumstances at the discretion of the instructor.

Extra Credit: There is no extra credit available for this class.

Essential University Policies and Information

Please find Omnibus language regarding university information, policies, course conduct, academic integrity, and assistance with the course [using this link](#).

Course Schedule

Unit 1 Introduction to Economic Decision-Making

Unit Learning Outcomes

After completing this unit, students should be able to:

1. Assess the tradeoff between equity and efficiency and compare the benefits and costs of policies intended to improve efficiency or equity.
2. Compute and compare opportunity costs of different decision-makers to determine the most efficient specialization of production.

Dates (week of:)	Unit of Instruction Topic	Responsibilities
Jan 18	What is economics, ceteris paribus, microeconomics vs. macroeconomics, positive and normative economics, tradeoffs, equality vs. efficiency, opportunity cost, circular flow model, production possibilities curve	Reading and Video Lectures: Chapters 1 and 2 Activity: Get Started Homework
Jan 25	Law of increasing opportunity costs, absolute and comparative advantage, specialization and gains from trade	Reading and Video Lectures: Chapter 3 Activity: Chapter 2 problems, Chapter 3 problems

Unit 2 Introduction to Markets

Unit Learning Outcomes

After completing this unit, students should be able to:

1. Discuss, compute, and illustrate graphically the effects of changes in the determinants of demand and supply on the market equilibrium price and quantity.
2. Calculate price elasticity of demand, price elasticity of supply, cross price elasticity, and income elasticity.
3. Interpret elasticity values and evaluate consumers' decisions based on their elasticities.

Feb 1	Markets, demand, law of diminishing marginal utility, income effect and substitution effect, determinants of demand, shifting demand curve vs. moving along the demand curve, supply, determinants of supply, shifting supply curve vs. moving along the supply curve, market equilibrium, comparative statics	Reading and Video Lectures: Chapter 4 Activity: Chapter 4 problems
Feb 8	Price elasticity of demand, midpoint formula, total revenue test, price elasticity of supply, cross elasticity of demand, income elasticity	Reading and Video Lectures: Chapter 5 Activity: Chapter 5 problems
Feb 13-14		Evaluation: Exam 1

Unit 3 Public Policy and Public Goods

Unit Learning Outcomes

After completing this unit, students should be able to:

1. Explain, compute, and illustrate graphically consumer and producer surplus and deadweight loss.
2. Evaluate the effects of various forms of government intervention, including taxes, subsidies, price ceilings, and price floors, on a market.
3. Recommend and illustrate graphically government interventions to solve externality problems.

Feb 15	shortages and surpluses, price floors and price ceilings, consumer and producer surplus, deadweight loss, effects of taxation, deadweight loss and tax revenue as a function of elasticity	Reading and Video Lectures: Chapters 6, 7, 8 Activity: Chapter 6 problems, Chapter 8 problems
Feb 22	Externality, rivalry, excludability, public goods, free rider problem, common resources, Tragedy of the Commons	Reading and Video Lectures: Chapter 10 and Chapter 11 Activity: Chapters 10-11 problems

Unit 4 Production Theory

Unit Learning Outcomes

After completing this unit, students should be able to:

1. Distinguish explicit and implicit costs and solve for a firm's accounting profit and economic profit.
2. Explain, compute, and illustrate graphically the relationships between a firm's output and its primary inputs, labor and capital.
3. Explain, calculate, and illustrate graphically a firm's total, average, and marginal costs of production.

Mar 1, Mar 14	Explicit and implicit costs, economic vs. accounting profit, short run vs. long run, short run production relationships, fixed costs vs. variable costs, total cost, average cost, marginal cost, long run production costs, economies of scale	Reading and Video Lectures: Chapter 14 Activity: Chapter 14 problems
SPRING BREAK		
Mar 20-21		Evaluation: Exam 2

Unit 5 Four Major Market Models

Unit Learning Outcomes

After completing this unit, students should be able to:

1. List and classify the four major market models by number of firms, heterogeneity of products, price-setting ability, and ease of entry.
2. Sketch graphs for firms in all four market models and discriminate between the four market models.
3. Solve production problems for firms in all four market models to determine maximum profit or minimum loss and judge whether the firm should continue producing or shut down in the short run, exit or remain in the industry in the long run.

Mar 22	Overview of four market models, perfect competition and perfectly elastic demand curve, profit maximization rule, shutdown point, breakeven point, long run adjustment, pure monopoly, barriers to entry	Reading and Video Lectures: Chapter 15 Activity: Chapter 15 problems
Mar 29	Monopoly demand and marginal revenue, price discrimination, regulation options for natural monopolies, antitrust laws monopolistic competition, excess capacity, adjustment to long run equilibrium	Reading and Video Lectures: Chapter 16 Activity: Chapter 16 problems
Apr 5	Monopolistic competition, excess capacity, adjustment to long run equilibrium	Reading and Video Lectures: Chapter 17 Activity: Chapter 17 problems
Apr 12	Oligopoly, game theory, prisoner's dilemma, industry concentration, cartels	Reading and Video Lectures: Chapter 18 Activity: Chapter 18 problems

Unit 6 Earnings, Discrimination, and Inequality

Unit Learning Outcomes

After completing this unit, students should be able to:

1. Define compensating differential, human capital, efficiency wages, discrimination, and the poverty rate.
2. Discuss determinants of equilibrium wages and explain how competitive markets tend to limit the effect of discrimination on wages.
3. Describe income inequality in the United States and around the world.

Apr 19	Compensating differential, human capital, determinants of equilibrium wages, discrimination and the effects of competitive markets, income inequality and poverty	Reading and Video Lectures: Chapter 19 and Chapter 20 Activity: Chapter 19 problems
Apr 29-30		Evaluation: Exam 3

Except for changes that substantially affect implementation of the evaluation (grading) statement, this syllabus is a guide for the course and is subject to change with advanced notice.