

Oakland University School of Business Administration
Department of Economics
ECN 2010: Principles of Microeconomics (4 credit hours)
Winter 2018

Instructor: Dr. K.J. Murphy **Email:** murphy@oakland.edu
Office: 349 Elliott Hall **Office Phone:** 248-370-3294
Web: <http://www.sba.oakland.edu/faculty/murphy>
Office Hours: 5 – 6 pm on Mondays; 8:30 – 9:30 am and 1:30 – 2:30 pm on Tuesdays and Thursdays; and by appointment.

Course Description: Provides an introduction to key microeconomic concepts. Examines operations of markets, theory of consumer demand, elasticity, organization of the firm, production and cost in the long and short runs, competition, externalities, market failures, and legal and regulatory environment of business.

Course Prerequisite: High school algebra.

Course Goals and Objectives:

1. To recognize the breadth of issues and problems that economic analysis helps to answer.
2. To become familiar with the terminology of microeconomics and to understand the basic methods and analytical tools which economists use to study microeconomic problems.
3. To understand the following major microeconomic concepts:
 - a. The use of appropriate supply and demand models to analyze basic market processes.
 - b. The nature of competitive markets and the efficiency associated with such markets.
 - c. Decision-making in both competitive and monopolistic settings.
 - d. Applications of economic concepts to topics such as externalities, antitrust, and labor markets.
4. To recognize the role of government in economic regulation, market failures and public goods provision.
5. To recognize how people use economics in their daily lives.

Exams: There will be three exams during the term. The exams will take place on the following dates:

Exam I	Thursday, February 1
Exam II	Thursday, March 15
Exam III	Thursday, April 19, 12 – 2pm

Each exam will cover approximately 1/3 of the course. The last exam is not comprehensive.

Make-Up Exams: Make-up exams will only be given at my discretion. Work-related reasons for missing exams are not acceptable. If you do miss an exam, then you will need to provide third-party documentation of the reason for your absence. Should I decide to let you take a make-up exam, you will be allowed to do so at a mutually convenient time *during finals week*.

Problem Sets: Six graded problem sets will be assigned during the term using the Sapling Learning web-based technology. Each problem set will have a firm due date and time. If your work on the problem set is not completed and sent to Sapling by that point, you will receive a 0.0 for the assignment. Absolutely no excuses will be entertained for missing a problem set deadline. I will only count your four highest grades on the problem sets. So, the student who diligently completes all six assignments will get a higher grade than would otherwise be the case if scores on all six assignments were averaged together. On the other hand, a student who ends up not being able to complete an assignment (or two) will not be disadvantaged by failure to get that particular problem set in on time. In essence, you get two free passes on the problem sets.

Sapling Learning: Sapling Learning will manage (and grade) your work on the problem sets. YOU MUST REGISTER WITH SAPLING IN ORDER TO BE ENROLLED IN THIS COURSE. You should take time today or tomorrow to complete the registration process.

You will have two payment options at the Sapling website:

1. Sapling access only for \$40.
2. Sapling access plus the Krugman and Wells digital textbook for \$90.

Sapling allows a 14-day grace period before actual payment is required. During this grace period, you will have plenty of time to decide whether Economics 201 and/or my teaching style are for you. Here's how to register:

How to access your Sapling Learning course

STUDENT INSTRUCTIONS

- Go to www.saplinglearning.com/login to log in or create an account.
- Under Enroll in a new course, you should see Courses at Oakland University. Click to expand this list and see courses arranged by subject. Click on a subject to see the terms that courses are available.
- Click on the term to expand the menu further (note that Semester 1 refers to the first course in a sequence and not necessarily the first term of the school year).

- Once the menus are fully expanded, you'll see a link to a specific course. If this is indeed the course you'd like to register for, click the link.
- Enter the key code, which is simply your section number: **13187**
- Review the [system requirements](#) and confirm that Flash is updated and enabled in your browser.

The following link includes more detailed instructions on how to register for your course: <https://community.macmillan.com/docs/DOC-5972-sapling-learning-registering-for-courses>.

If you have any technical problems during sign up and throughout the term, click on “technical support” or send an email to support@saplinglearning.com explaining the issue.

Grading: Exams I, II, and III will be equally weighted and will account for 75% of your course grade. Your grade average on your four best Sapling problem sets will account for the other 25% of your course grade.

Grades on the exams and the problem sets will be determined on the following basis:

% Correct	Grade
≥ 90%	3.8 - 4.0
84 – 89%	3.5 - 3.7
76 – 83%	3.0 – 3.4
60 – 75%	2.0 – 2.9
50 – 59%	1.0 – 1.9
41 – 49%	0.1 – 0.9
≤ 40%	0.0

Class Assessment and Assignment Weights:

Assessment	Dates	Weight
Exam I	February 1	25%
Exam II	March 15	25%
Exam III	April 19	25%
Problem Sets	As assigned	25%

Academic Conduct Policy: Students are advised to familiarize themselves with the Oakland University Academic Conduct Policy articulated here-- http://catalog.oakland.edu/content.php?catoid=29&navoid=2996#Other_Academic_Policies in the Undergraduate Catalog. I have a **zero tolerance policy** for cheating. Cheating is easily detectable. If you give the appearance of cheating, then I will immediately refer your case to the Office of the Dean of Students. In addition, if your exam answers are copied by another student,

then I will assume that you are complicit in the academic misconduct and such cases will also be submitted to the Dean of Students. (To prevent your answers from being copied by another student, simply protect your work.) Penalties for cheating at Oakland are excessive and usually result in a 0.0 for the course and suspension or expulsion.

Homework and Study Materials: Economics is a subject best learned by “doing.” Accordingly, I will post various types of study materials to our course webpage. I will post the daily reading assignment and relevant corresponding study questions from the end of each chapter. (I will also post the solutions to the suggested study problems.)

Required Text: Paul Krugman and Robin Wells, *Microeconomics*, 4th edition, Worth Publishers, 2015. ISBN-13: 978-1-4641-4387-8.

The book is available digitally on Sapling. A hardcopy can be rented via Chegg, Amazon, etc.

COURSE OUTLINE

I. Basics of Demand and Supply

Markets, competition, demand determinants, supply determinants, equilibrium and dis-equilibrium

Read Ch. 3.

II. Market Efficiency

Consumer and producer surplus, market efficiency, gains from trade

Read Ch. 4.

III. Interference with the Market Mechanism

Price ceilings, price floors, deadweight loss

Read Ch. 5, pp. 131-147.

IV. Elasticity

Demand elasticity, supply elasticity, income elasticity, cross-price elasticity

Read Ch. 6.

V. Economics of Taxation

Tax incidence, benefits and costs of taxation, equity vs efficiency, tax structure

Read Ch. 7.

VI. The Role of Government in the Economy

Market failure, externalities, Coase Theorem, public goods, common resources, the free rider problem, the tragedy of the commons

Read Ch. 16, pp. 465-481, and Ch. 17, pp. 489-499.

VII. Economics of Business Part I

Production function, marginal and average cost, short run vs long run cost, profit maximization, perfect competition

Read Chs. 11 and 12.

VIII. Economics of Business Part II

Market structure, monopoly, price discrimination, public policy toward monopoly

Read Ch. 13.