

Economics 201
Microeconomic Principles
Fall 2009

TOWSON UNIVERSITY

COURSE SYLLABUS

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COURSE DESCRIPTION: Economic reasoning of individual choice in household and market decisions. Behavior of firms in competitive and noncompetitive markets, functioning of labor and capital markets, role of the entrepreneur and effects of government policies. GenEd II.C.2. [This is the catalog course description.]

LEARNING OBJECTIVES: After successful completion of Microeconomic Principles, you will be able to (1) demonstrate an understanding of the factors that determine demand and supply, (2) demonstrate an understanding of the factors that cause a change in quantity demanded or supplied versus a change in demand or supply, (3) illustrate, by properly interpreting standard economic graphs, how markets (interactions of demand and supply) determine prices and the way in which resources are used, (4) understand and be able to explain the significance of the concept of “opportunity cost,” and (5) illustrate the use of the concept of “comparative advantage” and how it serves as the foundation for international trade.

REQUIRED TEXTBOOKS: Egger, John B., *Elements of Economics*, Fall 2009 edition (11th printing) -----, *Workbook* to accompany *Elements*, Fall 2009 edition

WALL STREET JOURNAL: Be familiar with articles relevant to our course on the front page (A1), the first page of the “Marketplace” section (usually B1), and the editorial pages. There will be questions about them on quizzes. Student prices include both print and online editions. Students with print subscriptions will be permitted to use their papers on the quizzes.

ATTENDANCE: Each unexcused absence over four (4) will reduce your grade by 2 points. If you’re studying other subjects in class, you aren’t there. Violating the “house rules” (see below) or arriving more than 20 minutes late will also receive an unexcused absence. Showing up for work isn’t optional on a professional job; it isn’t here, either.

EXAMS AND GRADING: Three exams: Friday, October 2 (Chapters 1-4), Friday, October 30 (Chapters 5-7), and Friday, December 4 (Chapters 8-10). **ONLY YOUR TWO BEST SCORES WILL COUNT.**

Semester grade: Best two exams 49%, Final exam 36%, Quizzes 15%. No calculators are permitted on the exams or quizzes. You should consider 60, 70, 80, and 90 the minimum numerical averages for course grades of D, C, B, and A. I have never used \pm grading, but if it is required I’ll use 3 points as the guide: e. g., 80.00-82.99=B-, 83.00-86.99=B, 87.00-89.99=B+. Example: If your three exam grades are 70, 78, and 82, you received 11 out of the possible 14 quiz points, had a 83 on the final, and had 6 unexcused absences, your semester average would be $39.20 + 11.79 + 29.88 - 4 = 76.87$.

QUIZZES, on non-exam Fridays, will be drawn from the week’s reading and lectures, Wall Street Journals, and/or homework assignments, taking ten minutes at the start of class. Students with WSJ print subscriptions will be permitted to use their papers on the quizzes. Each quiz will be graded 2, 1, or 0, and there are no makeups for any reason. Ten will be available, but only your best seven will count.

MAKE-UP EXAMS require a good excuse. They will be given on the last day of classes, in another room.

HOUSE RULES: Actions inappropriate in this classroom include eating, drinking, the wearing of hats (without documented medical or religious reason), the use of wireless communication devices (including cell phones) and cameras, and treating others uncivilly. Initially, violations will be treated as unexcused absences.

STUDENTS WITH DISABILITIES: In accordance with university policy, if you have a documented disability and require accommodations to obtain equal access in this course, please contact the instructor at the beginning of the semester and when given an assignment for which an accommodation is required. Students with disabilities must verify their eligibility through the Office of Disability Support Services (AD 232).

REPEATED COURSE: According to University policy, all students may repeat any course once. If repeating, you are advised to inform the instructor. For a third attempt, the student must obtain prior written approval from the Academic Standards Committee. If students enroll for a third attempt without permission, they do so at their own risk.

CHEATING on quizzes and examinations will be dealt with as harshly as the University permits, including an automatic F in this course. Disciplinary action may be pursued at the University level.

LECTURE TOPICS AND ASSIGNMENTS

If you wish to explore beyond your textbook, start with Henry Hazlitt's 1946 classic *Economics in One Lesson* or some of its modern imitators: Thomas Sowell's *Basic Economics*, David Friedman's *Hidden Order*, Tim Hartford's *The Undercover Economist*, or the wildly popular Levitt and Dubner's *Freakonomics*. My previous semesters' syllabi, one of which remains on my web page, contain many further suggestions.

DATES	LECTURE TOPIC, READING, HOMEWORK, QUIZZES, AND EXAMS
31/02/04sep	Economics... its nature and method; the Principles of Choice Assigned reading: <i>Elements</i> , Chapter 1 Homework: Questions (pp. 18-19) #1, 2, 3, 5; <i>Workbook</i> Exercises (pp. 1-8), all QUIZ #1 Friday, on Chapter 1
***** WEDNESDAY, September 9, is the last day to add, or to drop with NO GRADE. *****	
--/09/11sep	The concept of demand (NO CLASS Monday; it's Labor Day) Assigned reading: <i>Elements</i> , Chapter 2 Homework: Questions (p. 40) #3, 4, 5, 6, 8, 10; <i>Workbook</i> Exercises (pp. 10-18), #1-7 only QUIZ #2 Friday, on Chapter 2
14/16/18sep	The concept of supply Assigned reading: <i>Elements</i> , Chapter 3 Homework: Questions (pp. 61-62), all; <i>Workbook</i> Exercises (pp. 23-30), all QUIZ #3 Friday, on Chapter 3
21/23/25sep	Using supply and demand together to understand markets Assigned reading: <i>Elements</i> , Chapter 4 Homework: Questions (pp. 90-91) #1, 4, 5, 6, 7, 9, 10; <i>Workbook</i> Exercises (pp. 32-40), all QUIZ #4 Friday.
28/30/02oct	Continuing with our examination of the nature and philosophy of markets EXAM #1 Friday (Chapters 1-4)
05/07/09oct	The concept of cost, with applications to business Assigned reading: <i>Elements</i> , Chapter 5 Homework: Questions (pp. 119-120) #1, 3, 4, 5, 7, 8, 9; <i>Workbook</i> Exercises (pp. 56-61), all QUIZ #5 Friday.
12/14/16oct	How a seller uses knowledge of cost and demand to determine his best price and quantity Assigned reading: <i>Elements</i> , Chapter 6 Homework: Questions (pp. 146-147) #1, 3, 4, 6, 9, 10; <i>Workbook</i> Exercises (pp. 63-68, 70-75), all QUIZ #6 Friday.
19/21/23oct	Monopoly and competition: process versus end-state perspectives, "revisionist history." Assigned reading: <i>Elements</i> , Chapter 7 Homework: Questions (p. 169) #1, 3, 4, 5, 7, 8, 10; <i>Workbook</i> Exercises (pp. 78-85), all QUIZ #7 this Friday.
26/28/30oct	Continuing with the concepts of competition and monopoly; review and catch-up... EXAM #2 (Chapters 5-7) FRIDAY

DATES	LECTURE TOPIC, READING, HOMEWORK, QUIZZES, AND EXAMS
02/04/06nov	Exchange and comparative advantage (the basis for all trade) Assigned reading: <i>Elements</i> , Chapter 8 Homework: Questions (pp. 193-194) #5, 6, 7, 10; <i>Workbook</i> Exercises (pp. 99-106, 108-112), all QUIZ #8 Friday.
WEDNESDAY, Nov 11: last day to WITHDRAW with W or change to/from PASS/FAIL or AUDIT.	
09/11/13nov	The determination of income: labor and marginal productivity theory. Assigned reading: <i>Elements</i> , Chapter 9 Homework: Questions (pp. 215-216) #1, 2, 3, 4, 5, 9; <i>Workbook</i> Exercises (pp. 118-123), all QUIZ #9 Friday.
16/18/20nov	The time-preference theory of interest; present or future values to make decisions across time. Assigned reading: <i>Elements</i> , Chapter 10 Homework: Questions (pp. 236-237) #1, 8, 9, 10, 12, 13; <i>Workbook</i> Exercises (pp. 127-130), all QUIZ #10 Friday.
23/25/27nov	NO CLASSES; Monday I expect to be attending a conference; Wed & Fri THANKSGIVING
30/02/04dec	Wrapping up this section on interest, income, and comparative advantage. EXAM #3 (Chapters 8-10) FRIDAY
07/09/11dec	Profit and entrepreneurship; economics and the moral nature of capitalism Assigned reading: <i>Elements</i> , Chapters 11, 12 Homework: <i>Workbook</i> Exercises (pp. 143-145), all
FINAL EXAMS	Section 201.001 (8:00 AM): Monday, December 14, 8:00 – 10:00 AM Section 201.002 (9:00 AM): Wednesday, December 16, 8:00 – 10:00 AM Section 201.003 (10:00 AM): Thursday, December 17, 8:00 – 10:00 AM

A NOTE ON THIS SYLLABUS: This syllabus is quite different from those I have used in previous years. This is partly because policies of the College of Business and Economics, and the University, are now requiring standardized wording on *all* professors' syllabi for this course. I've also realized that students did not use the optional material (bibliography, and where to find other textbooks' discussions of our weeks' topics) on my older syllabi, so I've omitted it here. I have left an older syllabus posted on my web page, if you're curious about what it used to look like and include.

ON WORK LOAD: For many years I have advised students to plan to study 6 HOURS PER WEEK, outside of class, on this course. (That makes a 5-course load a 45-hour work week, not unusual for a professional job.) Students sometimes tell me that's too much, and find my recommendation amusing (at least at the start of the semester), but I recently found this in our Undergraduate Catalog ("Definition of Terms," p. 22 of the 2005-6 catalog):

**Faculty expect students to spend at least two hours reading, writing
and doing research outside of class for each hour spent in class.**

Doing this much work is no guarantee of a good grade, but it greatly improves the likelihood of one.