



BT 244 E/F : Microeconomics
School of Business
Spring 2023

Instructor: Justine Hervé
Course Schedule: Mondays-Wednesdays 08:35AM-9.50AM in Babbio 221 and
11.00AM-12.15PM in Gateway South 021
Contact Info: jherve@stevens.edu
Office Hours: Mondays-Wednesdays 09:55AM-10:55PM, Kidde 219B.
I can also be reached anytime by email.

Prerequisite(s): None
Co-requisite(s): None

COURSE DESCRIPTION

This course will provide an introduction to microeconomic analysis, emphasizing the economic behavior of the individual consumer, firm, or other economic entity. Of particular concern will be discussions of market processes, of consumer and firm behavior, of various forms of market structure, of the markets for productive inputs, and of public policies having microeconomic implications.

LEARNING OBJECTIVES

After completing the course, students will possess a broad understanding of U.S. industry, as well as the ability to: (1) explain the functioning of markets, (2) create and interpret demand elasticities, (3) explain consumer choices, (4) describe and evaluate production and cost conditions, (5) analyze decisions to employ labor and capital, (6) describe various market structures and antitrust policy, and (7) apply microeconomic principles in the analysis of real-world business and social phenomena. Additional learning objectives include the ability to communicate effectively in written presentations, demonstration that students have developed their problem solving skills, and that they have core business knowledge related to microeconomic principles and understand how to relate technology to business fundamentals.

FORMAT AND STRUCTURE

The course will employ lectures, class discussion, in-class collaborative practice problems, individual homework, and two exams that will test students' grasp of the concepts covered in the course, as well as their ability to apply those concepts. There will

also be a discussion of current events in news articles to illustrate how concepts discussed in class are relevant in practice.

Textbook

Microeconomics (6thth Edition), by Paul Krugman and Robin Wells, MacMillan Publishing.

I will be using the MacMillan Learning Achieve site throughout the course. Access to this site is required. Please click on “Achieve access” in Canvas modules to set up your account.

Achieve is a platform that gives access to the e-book version of the textbook. It is also where in-class and homework assignments, as well as exams will be submitted. For an additional fee, students can purchase a paperback or hard cover copy of the textbook.

Alternatively, you can access the course using the link below:

For BT244A: <https://macmillan.force.com/macmillanlearning/s/article/Students-Register-for-Achieve-courses-via-your-school-s-LMS>

For BT244B: <https://macmillan.force.com/macmillanlearning/s/article/Students-Register-for-Achieve-courses-via-your-school-s-LMS>

Other Readings

Students are encouraged to read articles from The **Economist**, and to follow **Ben Bernanke**’s Blog: <https://www.brookings.edu/blog/ben-bernanke/> (Links to an external site.), **Gregory Mankiw**’s Blog: <https://gregmankiw.blogspot.com/> (Links to an external site.) **Paul Krugman**’s blog : krugman.blogs.nytimes.com/ and the podcast **Think like an Economist** on Spotify or Apple.

Materials

IClicker app, subscription is included with your Achieve account. Please click on “IClicker access” in Canvas modules to set up your account and install the app on your phone or your PC.

COURSE REQUIREMENTS AND GRADING PROCEDURES

Homework

- For each chapter, students will be assigned 1) **pre-class videos/tutorials**, 2) an associated **homework assignment** (HW) to be submitted online through the Achieve site, and 3) sometimes a **short podcast** for which students will be asked to write a half-page summary. For each Chapter, there are optional ‘Learning Curve’, Work-It-Out, and Discovering-Data activities. These optional assignments are not graded, but offer students opportunities to get familiar with the material.
- Questions on the HW are from a HW specific question bank. Exams will be drawn from a Test question bank. For each chapter, there is an associated Practice quiz, with questions from the test bank (optional). This will offer familiarity with

the type of questions that students face on the exams. These resources are available to you for review before the tests.

- HW should be submitted maximum two weeks after the end of a chapter. Late submissions will be penalized.

Participation

- Students are expected to attend class on a regular basis. Attendance will be taken.
- Students will earn participation points via participating through IClicker or directly answering questions.
- Extra credit activities can increase the participation grade. Bringing in current events articles that are pertinent to the class topic and presenting them in class earns students 3 points for each article presented toward participation (5 points, if the students presents their article in front of the class).

Project(s) (if time permits)

Students are to submit 1 video presentation on the day of the final exam. Each presentation should be up to (but no longer than) 2 minutes long. Videos can be uploaded and shared on Microsoft OneDrive, or on Youtube. All videos are due the day of the final exam. You can choose the topic of your video among the two options below:

- Presentation option #1: discuss how a concept learned in class is applied in the student's life/work environment.
- Presentation option #2: identify a current news article related to a concept learned in microeconomics, summarize the news article and explain how it links to what we learned in class.

Exams

- There will be one **midterm exam** and one **final exam**.

The grade for the semester will be assigned using the following weights:

10% Participation

25% Online HW

30% Midterm

5% Video presentation

30% Final exam

Note: Make-up exams will **not** be given without prior approval of the instructor. Students who miss an exam without prior approval will receive a zero grade on that exam. Approved make-up exams **must** be completed within one week.

Absence and Late Policy

If you are absent for any reason, you need to send me an email prior class. In the case of an absence, it is your responsibility to catch up on the content you missed. To not be penalized for your absence, you will then have to send me back a paragraph summarizing the content you missed within a week.

Assignments don't have a deadline in canvas, but they should be submitted within two weeks after the end of the corresponding chapter. **Late submissions will be assessed a 10% penalty.**

Tentative Outline

The syllabus will cover the following topics:

Principles of economics Chapter 1

- Individuals' choices
- Individuals' interactions in the economy

Economic models Chapter 2

- PPF
- Opportunity cost
- Comparative advantage
- Circular flow diagram

Supply And Demand Chapter 3

- The Demand Curve
- The Supply Curve
- Equilibrium
- Dynamics

Consumer And Producer Surplus Chapter 4

- Gains From Trade
- Equity Vs Efficiency

Price Controls And Quotas Chapter 5

- Price Ceilings
- Price Floors
- Quotas

Elasticity Chapter 6

- Defining And Measuring Elasticity
- Price Elasticity Of Demand
- Other Elasticities

Taxes Chapter 7

- Effect Of Taxes On Efficiency
- Price Elasticities And Tax Incidence

International Trade Chapter 8

- Supply, Demand And International Trade
- Effect Of Tariffs
- Effect Of Quotas
- The Political Economy Of Trade Protection

Midterm #1

Decision Making By Individuals And Firms Chapter 9

- Explicit Vs Implicit Costs
- Marginal Benefit Vs Marginal Cost

The Rational Consumer Chapter 10

- Utility
- Marginal Utility
- Budget Constraints

<ul style="list-style-type: none"> • Marginal Utility Per Dollar • From Utility To The Demand Curve: Substitution Effect And Income Effect 	
The Production Decision	Chapter 11
<ul style="list-style-type: none"> • Costs Of Production • Short Run Vs Long Run Costs • Returns To Scale 	
Perfect Competition And The Supply Curve	Chapter 12
<ul style="list-style-type: none"> • Production And Profits • The Shut Down Condition • The Short Run Vs Long Run Supply Curve 	
Monopoly	Chapter 13
<ul style="list-style-type: none"> • How A Monopolist Maximizes Profits • Welfare Effects Of Monopoly • Price Discrimination 	
Oligopoly	Chapter 14
<ul style="list-style-type: none"> • Understanding Oligopoly • Game Theory 	

IF TIME PERMITS:

Externalities	Chapter 16
<ul style="list-style-type: none"> • Positive Externalities • Negative Externalities • Network Externalities • Public Policy In The Face Of Externalities 	
Public Goods And Common Resources	Chapter 17
<ul style="list-style-type: none"> • Private Goods • Public Goods • Common Resources • Artificially Scarce Resources 	
Uncertainty, Risk, And Private Information	Chapter 20
<ul style="list-style-type: none"> • Expectation And Uncertainty • Risk Aversion • Paying To Avoid Risk • Adverse Selection • Moral Hazard 	

Final Exam!

ACADEMIC INTEGRITY

Undergraduate Honor System

Enrollment into the undergraduate class of Stevens Institute of Technology signifies a student's commitment to the Honor System. Accordingly, the provisions of the Stevens Honor System apply to all undergraduate students in coursework and Honor Board proceedings. It is the responsibility of each student to become acquainted with and to uphold the ideals set forth in the [Honor System Constitution](#). More information about the Honor System including the constitution, bylaws, investigative procedures, and the penalty matrix can be found online at <http://web.stevens.edu/honor/>

The following pledge shall be written in full and signed by every student on all submitted work (including, but not limited to, homework, projects, lab reports, code, quizzes and exams) that is assigned by the course instructor. No work shall be graded unless the pledge is written in full and signed.

"I pledge my honor that I have abided by the Stevens Honor System."

Reporting Honor System Violations

Students who believe a violation of the Honor System has been committed should report it within ten business days of the suspected violation. Students have the option to remain anonymous and can report violations online at www.stevens.edu/honor.

EXAM ROOM CONDITIONS

The following procedures apply to homework assignments and exams for this course. As the instructor, I reserve the right to modify any conditions set forth below by printing revised Exam Room Conditions on the quiz or exam.

1. Students may use the following devices during exams. Any electronic devices that are not mentioned in the list below are not permitted.

Device	Permitted?	
	Yes	No
Laptops	X	
Cell Phones	X	
Tablets	X	
Smart Watches	X	
Google Glass	X	
Other (Calculator)	X	

2. Students may use the following materials during exams. Any materials that are not mentioned in the list below are not permitted.

Material	Permitted?	
	Yes	No
Handwritten Notes	X	
Typed Notes	X	
Textbooks	X	
Readings	X	
Other (specify)		

3. Students are not permitted to work with or talk to other students during exams.

LEARNING ACCOMODATIONS

Stevens Institute of Technology is dedicated to providing appropriate accommodations to students with documented disabilities. Student Counseling and Disability Services works with undergraduate and graduate students with learning disabilities, attention deficit-hyperactivity disorders, physical disabilities, sensory impairments, and psychiatric disorders in order to help students achieve their academic and personal potential. They facilitate equal access to the educational programs and opportunities offered at Stevens and coordinate reasonable accommodations for eligible students. These services are designed to encourage independence and self-advocacy with support from SCDS staff. The SCDS staff will facilitate the provision of accommodations on a case-by-case basis. These academic accommodations are provided at no cost to the student.

Disability Services Confidentiality Policy

Student Disability Files are kept separate from academic files and are stored in a secure location within the office of Student Counseling, Psychological & Disability Services. The Family Educational Rights Privacy Act (FERPA, 20 U.S.C. 1232g; 34CFR, Part 99) regulates disclosure of disability documentation and records maintained by Stevens Disability Services. According to this act, prior written consent by the student is required before our Disability Services office may release disability documentation or records to anyone. An exception is made in unusual circumstances, such as the case of health and safety emergencies.

For more information about Disability Services and the process to receive accommodations, visit <https://www.stevens.edu/sit/counseling/disability-services>. If you have any questions please contact:

Lauren Poleyeff, Psy.M., LCSW - Disability Services Coordinator and Staff Clinician in Student Counseling and Disability Services at Stevens Institute of Technology at lpoleyef@stevens.edu or by phone (201) 216-8728.

INCLUSIVITY STATEMENT

Stevens Institute of Technology believes that diversity and inclusiveness are essential to excellence in education and innovation. Our community represents a rich variety of backgrounds, experiences, demographics and perspectives and Stevens is committed to fostering a learning environment where every individual is respected and engaged. To facilitate a dynamic and inclusive educational experience, we ask all members of the community to:

- be open to the perspectives of others
- appreciate the uniqueness their colleagues
- take advantage of the opportunity to learn from each other
- exchange experiences, values and beliefs
- communicate in a respectful manner
- be aware of individuals who are marginalized and involve them
- keep confidential discussions private

<https://www.youtube.com/watch?v=E21YYoxRs5g>