

OXFORD COLLEGE

Spring Semester 2001

Joe Calhoun

Economics 101 Principles of Microeconomics

223 Pierce Hall
Tuesday, Thursday, 9:30 a.m. - 10:45 a.m.

209 Seney Hall
Tuesday, Thursday, 11:00 a.m. - 12:15 p.m.

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Telephone: 770/784-4607

Athens Office: 507 Brooks Hall
Telephone: 706/542-3669; messages can be left at 542-1311 (do not leave messages on the voicemail from my office phone)
Email address: calhounj@arches.uga.edu

Office hours: 8:30 - 9:30 a.m. Tuesday and Thursday

Please be aware that office hours are not a substitute for coming to class. I will not repeat lectures or allow you to copy my notes during office hours but am more than willing to spend time with you to review questions and specific problems you may be having in this class.

Course Description: Economics is the study of choices made due to scarcity of resources. This class will focus on the market system of economic choice. We will analyze how people involved in the market system make choices and how society's economic activities are organized. We will also evaluate the market outcomes and investigate the government's involvement in choices.

The class is mostly theoretical. We will build and analyze economic models and use concrete examples where appropriate. What we discuss in class will be simplified versions of real-world decision-making processes by consumers and firms.

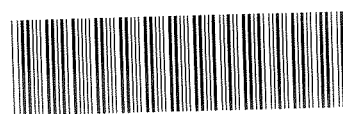
Required Textbook: *Microeconomics: Principles and Tools*, 2nd edition by Arthur O'Sullivan and Steven Sheffrin.

Supplemental Textbook: *Practicum* (Study Guide), written by Janice Boucher Breuer that accompanies O'Sullivan and Sheffrin. You will not be given any assignments directly from this text but it will be a valuable tool to understand and work through the topics covered in class.

Attendance: I do not have a specific attendance policy. I believe that you will enjoy the course more, learn more from it and perform better on homework assignments and exams if you come to class on a regular basis. You are responsible for all announcements and material distributed and discussed in class.

I understand that occasional absences will occur and are sometimes necessary due to other commitments. Please be aware that I will initiate a withdrawal from this course for habitual, extended absences.

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Exams: There will be two midterm exams with a weighting of 25% each. A comprehensive final exam will be weighted 40%. The exams will be administered on the following dates: March 1 and April 12. The final exam is scheduled for Thursday, May 3. The 9:30 class will take the exam from 2:00 to 5:00 p.m. The 11:00 class will take the exam from 7:00 to 10:00 p.m. Each midterm exam will consist of 18 multiple choice questions, 7 short-answer questions and 2 long-answer questions. The final exam will consist of 40 multiple choice questions, 10 short-answer questions and 6 long-answer questions.

Makeup exams: For the two midterm exams, I do not allow any makeup exams for any reason. If you fail to take a midterm exam, you do not need to present an excuse to me. The weighting for your grade will be adjusted in the following manner.

Miss 1 midterm: the remaining midterm will be weighted 35% and the final will be weighted 55%.

Miss 2 midterms: the final will be weighted 90%.

If you cannot take the final exam on the scheduled day, you need to obtain an written excuse in order to schedule a different time.

Homework: Four homework assignments will be distributed during the semester. The homework counts 10% of your final grade. An assignment will be due at the beginning of class on each of the following days: February 8, February 22, March 22 and April 5. Each homework will be collected, recorded and returned to you at the start of the next class meeting. Each question will be graded on a scale of 2-1-0 and each assignment will probably have a different number of questions. The homework questions will entail drawing graphs, making calculations and writing brief analysis. Homework grades are primarily dependent upon making a legitimate effort to answer the questions correctly; not necessarily on answering every question correctly. Late homework will not be accepted.

Extra Credit: I do not anticipate providing extra credit assignments, but the opportunity may arise. The type of assignments and the relative weights will be determined at my discretion.

Grading: Your semester grade will be based on your scores on the four homework assignments, the two midterm exams and the final exam. Your grade will be calculated by multiplying the weights by the percentage score for each exam and homework and determining a weighted average. Grades will be determined by the following scale:

93% - 100%	A
90% - 93%	A-
88% - 90%	B+
82% - 88%	B
80% - 82%	B-
77% - 80%	C+
71% - 77%	C
68% - 71%	C-
64% - 68%	D+
56% - 64%	D
below 56%	F

Grading Example: A student receives the following exam scores - 91%, 96%, 92% and the homework score is 98%. The weighted average is calculated as follows: $(.91 \times .25) + (.96 \times .25) + (.92 \times .40) + (.98 \times .10) = 93.4\%$. The final grade would be an A.

Relationship Between Lectures and Text: The lectures and the reading assignments are designed to complement each other. In order to get the full benefit of the class, you must attend lecture and read the assignments. For each lecture, I will expect you to have an understanding of basic concepts such as definitions and formulas. Class time will focus on analysis and the mechanics of the topic. The exams will reflect the fact that the lectures and the text are not perfect substitutes. Most of the questions will be based on material that is covered both in lecture and the text. Some of the questions will be based solely on lecture material while some will be based solely on text material.

Academic Honesty: I will strictly follow Oxford College's Conduct Code and Honor Code. I will report any violations of the academic honesty guidelines to the Conduct Board and/or the Honor Council.

Special Needs: If you need adaptations or accommodations because of a disability (i.e. physical, mental, psychological, learning), have emergency medical information to share with me, or need special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible.

Course Outline: The following is a topical outline of the course and the respective reading assignments from the text. I will make every effort to follow this outline in its entirety. However, adjustments may be needed during the semester and I will give you as much advanced notice as possible.

<u>Outline</u>	<u>Assignment</u>
1. Introduction	Ch. 1: all
1.1. Study of Economics	Ch. 1 appendix: all
1.2. Economic Systems	Ch. 3: all
1.3. Economic Models	
2. Principles of Economics	Ch. 2: all
2.1. Marginal vs. Total	
2.2. Diminishing Returns	
2.3. Spillover	
2.4. Real vs. Nominal	
2.5. Opportunity Cost	
3. Consumer Theory	Ch. 7: all
3.1. Budget Constraints	Ch. 7 appendix: all
3.2. Indifference Curves	
3.3. Rational Behavior	
4. Demand	Ch. 4: p. 64-66
4.1. Movement Along Demand Curve	Ch. 5: p. 97-109
4.2. Shift in Demand Curve	
4.3. Elasticity	
5. Firm Costs	Ch. 8: all
5.1. Economic Cost	
5.2. Short Run Costs	
5.3. Long Run Costs	

Outline

6. Supply
 - 6.1. Revenue
 - 6.2. Profit
 - 6.3. The Decision to Shut Down
 - 6.4. The Supply Curve
7. The Model of Supply and Demand
 - 7.1. Market Supply and Demand Curves
 - 7.2. Market Definitions
 - 7.3. Supply and Demand Analysis
8. Economic Efficiency
 - 8.1. Consumer Surplus
 - 8.2. Producer Surplus
 - 8.3. Total Net Value
9. Market Structures
 - 9.1. Perfect Competition
 - 9.2. Monopoly
 - 9.3. Monopolistic Competition
 - 9.4. Oligopoly
10. Market Imperfections
 - 10.1. Public Goods
 - 10.2. Externalities
 - 10.3. Environmental Policy
11. Input Markets
 - 12.1. Input Demand
 - 12.2. Input Supply
12. International Trade
 - 11.1. Comparative Advantage
 - 11.2. Explanations for Trade
 - 11.3. Protectionism
13. Regulation and Deregulation
 - 13.1. Justification
 - 13.2. Evaluation
14. Taxation
 - 14.1. Justification
 - 14.2. Effects

Assignment

- Ch. 9: p. 188-196
Ch. 4: p. 67-70
- Ch. 4: p. 71-96
Ch. 6: p. 126-130
- Ch. 6: p. 119-126
- Ch. 9: p. 188
Ch. 10: all
Ch. 11: all
Ch. 12: all
- Ch. 15: p. 307-311
Ch. 16: all
Ch. 17: all
- Ch. 18: all
- Ch. 20: all
- Ch. 14: all
- Ch. 15: p. 314-318