

Econ 101  
Principles of Microeconomics  
Spring 2002

Instructor: Frank Maddox  
318 Seney Hall  
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Office Hours: M-F 11:30-12:30

**Course Description:** Econ 101 provides an examination of the role of markets and prices in the allocation and distribution of goods and services. The course begins by analyzing the forces of demand and supply and the determination of equilibrium prices. Consumer responsiveness to changes in income and prices is explored. The course then focuses on producer decisions, costs of production, and the concept of profit maximization. These topics are combined for an analysis of the four major types of product market structures: pure competition, monopoly, monopolistic competition, and oligopoly. The course then examines both conceptual and institutional issues regarding the operation of labor and other input markets. International trade issues, including tariffs, quotas, and arguments for free trade are discussed. Public policy and market failures as well as the microeconomics of taxation are explored.

**Course Objective:** The goal of Econ 101 is to provide an introduction to the economic way of thinking and to the economist's view of the world. The course attempts to develop a student's ability to think analytically about the economic forces at work in society. Students learn both a specific set of analytical tools and how to apply them to current policy issues.

**Method of Instruction:** The course is taught with a combination of lecture, discussions, problem sets, papers, videos, and examinations. Class interaction and the analysis of specific economic problems are stressed

**Academic Integrity:** There is zero tolerance of any breach of academic integrity in this course. Students are asked to re-read and ask any questions about the Oxford Student Honor Code. The Honor Code will be strictly enforced.

**Required Text:** Baumol, William J. & Blinder, Microeconomics: Principles and Policy 8th edition, Harcourt Press. 2001.

**Examinations:** There will be two in-term exams and a final examination. The dates assigned for the exams will not change. However the material covered on each exam may deviate from the course schedule according to progress in lectures.

**Grading Policy:** Each in-term exam accounts for 25% of the course grade. The final exam accounts for 25 % of the course grade. Homework, quizzes, papers, & projects are worth 25% of the grade. Exams and homework will be graded numerically. Your numerical average will be converted into a letter grade:

A	= 94 up to 100
A-	= 90 up to 94
B+	= 87 up to 90
B	= 84 up to 87
B-	= 80 up to 84
C+	= 77 up to 80
C	= 74 up to 77
C-	= 70 up to 74
D+	= 67 up to 70
D	= 60 up to 67
F	= 0 up to 60

Attendance Policy: Attendance is required and will be recorded each class period. One point will be deducted from the student's final numerical course grade for each absence in excess of four absences.

**Make-up examination Policy:** Make-ups will be permitted only with written support (approved by the instructor) of serious situations which preclude the student's ability to take the exam during the scheduled time.

### **Important Dates**

January 21- Martin Luther King. Jr. Holiday

January 23 Drop/add period ends

February 19 - Exam I

March 11-15- Spring Break

April 2 - Exam II

Final Exam – see exam schedule

### **Course Outline**

Week 1; January 16-18

Chapter 1 What is Economics?

Chapter 2 The Use and Misuse of Graphs

Week 2; January 23-25

Chapter 3 The Economy: Myth and Reality

Chapter 4. Scarcity and Choice: the Economic Problem

Week 3; January 28-February 1

Chapter 5: Supply and Demand

Chapter 6: Consumer Choice

Week 4; February 4-8

Chapter 7: Demand and Elasticity

Week 5; February 11-15  
Chapter 8: Production, Inputs, and Cost

Week 6; February 18-22  
February 19, Exam 1 Chapters 1-8  
Chapter 9: Output, Price and Profit

Week 7; February 25-March 1  
Chapter 10: the Firm and Industry Under Perfect Competition  
Chapter 11: The Price System and the Case for Free Markets

Week 8; March 4-8  
Chapter 12: Monopoly  
Chapter 13: Between Competition and Monopoly

Week 9; March 11-15 SPRING BREAK

Week 10; March 18-22  
Chapter 14: The Market Mechanism: Shortcomings and Remedies

Week 11; March 25-29  
Chapter 15: Microeconomics of Innovation  
Chapter 16: Real Firms and Their Financing: Stocks and Bonds

Week 12; April 1-5  
Exam II – April 2 Chapters 9-16  
Chapter 17: Pricing the Factors of Production

Week 13; April 8-12  
Chapter 18: Labor: the Human Input  
Chapter 19: Poverty, Inequality, and Discrimination

Week 14; April 15-19  
Chapter 20: Limiting Market Power: Regulation and Antitrust  
Chapter 21: Taxation and Resource Allocation

Week 15; April 22-26  
Chapter 22: Externalities, the Environment, and Natural Resources  
Chapter 23: International Trade and Comparative Advantage

Week 16; April 30 (last class)  
Final Exam (see schedule) Chapters 17-23