

Department of Economics  
A. Laramie

EC131 Principles of Microeconomics

Fall 2000

Office:Carney 243

Office Hours: Tuesday and Thursday 10:30 - 11:30 and by appointment

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Required Reading: Richard Tresch, Principles of (Micro) Economics, West Publishing Company.

Course Objective: The purpose of this course is to get you to think critically about how the market economy works and how government policy affects the workings of the market economy. In this course, particular emphasis is given to analyzing the determinants and the effects of individual households' and businesses' (economic) decisions. You will be taught the methods economists use to judge the performance of markets. By the end of the course, you should be able to understand the meaning of economic efficiency, the requirements for economic efficiency and the relationship between efficiency and fairness. Moreover, you should have a sense as to how well our economy works and the circumstances where government intervention is appropriate. To accomplish these objectives, we will learn about the research methods of economists.

### Course Outline

#### I. Introduction

- A. The First Principles of Economics
- B. Solving the Economics Problem
- C. Society's Economic Problem
- D. Markets, Prices and the United States Economy

#### II. The Laws of Supply and Demand

- A. Demand and Elasticity
- B. Supply and Marginal Cost
- C. Market Equilibrium: The laws of Supply and Demand
- D. Applications of Supply and Demand

#### III. The Economic Problem of Consumers and Business Firms

A. The Theory of Consumer Choice

B. The Firms How Problem and the Total Cost of Production

IV. The Structure of Product Markets in the United States

A. Perfect Competition

B. Pure Monopoly

C. Softening Competition: From Collusion to Effectively Competitive Markets

D. Oligopoly

E. Public Policy and Business

V. Conclusion: Implications for the Economy as a Whole.

Grading: Grading will be based upon two semester exams and a final exam. The final exam will be cumulative. Each semester exam is weighted 30% and the final exam is weighted 40% in determining your final course grade.

Assignment Schedule

Introduction

9/7	Chapter 1: Questions 1, 2, and 6
	Chapter 2: Questions 4, 5, 6, 7 and 8
9/12	Chapter 3: Questions 2, 3, 4 and 6
9/14	Chapter 4: Question 5
	Chapter 5
9/19	Chapter 5 continued
	Questions 1, 4, 5, 6, 8 and 11
9/21	Chapter 6: Questions 1, 3 - 10
9/26	Chapter 7: Questions 2 - 4, 10
9/28	Chapter 8; Questions 5, 6, 8, 9

10/3	Review
10/5	Exam 1: Chapters 1 - 8
10/10	Chapter 10: Questions 1 -4 Appendix 10:2: Question 1
10/12	Chapter 11
10/17	Chapter 11
10/19	Chapter 11 continued: Questions 2- 4, 7 - 9
10/24	Chapter 13
10/26	Chapter 13 continued: Questions 1 - 4, 8, 10
10/31	Review
11/2	Exam, Chapters 10, 11 and 13
11/7	Chapter 14
11/9	Chapter 14 continued: Questions 1 - 3, 6, 9 -11
11/14	Chapter 15
11/16	Chapter 15 continued; Questions: 4 - 7
11/21	Review
11/23	Thanksgiving Day
11/28	Chapter 16
11/30	Chapter 16 continued; Questions 2, 4, 6 - 8, 10
12/5	Chapter 17
12/7	Review