

**BOSTON COLLEGE**  
Department of Economics

**Syllabus**

EC 131.05&.06  
Principles of Economics--Micro  
Fall 1996

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Office Hours: MW 10:00-11:00

**I. Course Objective**

The objective of this course is to learn the fundamentals of microeconomics. In order to achieve this goal, you must become literate in the vocabulary, obtain a sound understanding of the concepts of microeconomics including economic problems, production possibilities frontiers, consumer behavior and demand curves, firm behavior and supply curves, market equilibrium, and different market structures.

**II. Required Text**

Tresch, Richard W., Principles of Economics, West Publishing Company, 1994.

All readings in the course outline refer to Tresch.

**III. Course Requirements**

	<u>dates</u>	<u>% of final grade</u>
Quizzes	random	10%
First exam (in class)	October 7	20%
Second exam (in class)	November 11	20%
Final exam	December 18 (Wednesday 12.30 pm)	40%
Research Paper	December 18 (Wednesday 12.30 pm)	10 %

(You can work on any topic that is interesting for you within the context of microeconomics.)

Numerous problem sets

( The problem sets will not be collected, but they will give you some guidance for your quizzes and exams)

#### **IV. Course Organization and Expectations**

- The final exam is comprehensive.
- You are held responsible for all readings and announcements made in class.
- Absolutely NO make up exams will be given in this course. Any valid excuse must be **approved through me prior to the exam**. Any excused exam that is missed will result in re-weighting of subsequent exams. The final exam must be taken. If school happens to be canceled (ex. snow day) on the day of the scheduled exam, the exam will be given on the next class meeting. Since the dates of the exams are known in advance, please plan your travel arrangements accordingly.
- The quizzes will not be announced in advance and have a duration of 15 minutes. There will be NO make-up quizzes. The lowest score on the quizzes will be dropped at the end. Many quiz questions will come directly from assigned homework problems. Other questions will come from lecture notes.
- Problem sets will be given throughout the course. The best way to learn economics is by solving problems. They are strongly recommended and designed to help you study for the exam. Also remember that quizzes will be given based on problem sets. It is therefore in your best interest to work on them thoroughly. I will not collect them. Answers to the problems will be made available. You may work together on the problem sets--indeed you are strongly encouraged to do so. You are to work through your own answers before checking with the answer sheets.
- Class attendance is extremely important and active participation in class is strongly encouraged. You are always welcome to ask questions or raise an issue of interest.
- There are no formal prerequisites for this class. However, certain mathematical skills up to and including some of high school algebra are essential. The most important skill is how to read and understand graphs. Also, you need to be able to manipulate fractions, simple equations, percentages, and decimals. The essential elements of the mathematical techniques required will be presented in class as we go along.
- **Academic Integrity:** Please be advised that cheating on any exam or quiz will not be tolerated and will result in an automatic failing grade on the exam or quiz in question. This will be the minimum action taken. Please refer to the page on Academic Integrity taken from the BC Student Handbook.

## **Course Outline:**

### **I. Introduction: Fundamental Economic Principles (2 weeks)**

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|--|----------------------------|
| 1. The Economic Problem                    | Ch. 1, 2; Ch. 4 (pp.77-80) |
| 2. Society' s Economic Problem             | Ch. 3 (pp.38-57)           |
| 3. Choosing an Economic System             | Ch. 3 (pp.57-66)           |
| 4. Overview of Markets and the U.S Economy | Ch. 4                      |

### **II. Competitive Markets--The Laws of Supply and Demand (6 weeks)**

#### **A. Markets for Goods and Services**

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|---|------------------------------|
| 1. Consumer Behavior and the Demand curve                       |                              |
| a. Demand and Elasticity  | Ch. 5                        |
| b. Getting Behind the Demand Curve:<br>Consumer Behavior        | Ch. 10                       |
| 2. Theory of the firm and the Supply Curve                      |                              |
| a. Supply   | Ch. 6(pp.128-133;pp.145-151) |
| b. Optimal Input Decisions:<br>Least-cost rule and Applications | Ch. 11 (pp.288-307)          |
| c. Cost Analysis  | Ch. 11 (pp.278-288)          |
| d. Behind the Supply Curve                                      | Ch. 6 (pp.133-145)           |
| 3. Market Equilibrium   | Ch. 7                        |
| 4. Applications   | Ch. 8                        |

#### **B. Competitive Labor Markets** Ch. 9

#### **C. Evaluation of the Market System**

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|----------------|---------------------|
| 1. Strengths   | Ch. 23 (pp.642-643) |
| 2. Limitations | Ch. 23 (pp.643-662) |

### **III. Alternative Market Structures (3 weeks)**

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|--|-----------------------|
| 1. Perfect Competition                                     | Ch. 13 (Review Ch. 6) |
| 2. Pure Monopoly   | Ch. 14                |
| 3. Monopolistic Competition                                | Ch. 15                |
| 4. Oligopoly   | Ch. 16                |
| 5. Evaluation of Big Business<br>and U.S. Antitrust Policy | Ch. 17                |

### **IV. Topics in Microeconomics (As time permits) (1 week)**

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|--|--------|
| 1. Labor Markets: Further Explanation of Differences in Earnings |        |
| a. Determinants of Wages   | Ch. 18 |
| b. Human Capital Theory and Discrimination                       | Ch. 19 |
| 2. Distribution of Income and Poverty                            | Ch. 22 |