

BOSTON COLLEGE
Department of Economics

EC 131.09 & EC131.10, Fall 1996
Principles of Microeconomics

Sengül Dagdeviren
Carney 33A, 552-8703
Office Hours:
Wed & Fri 11:30 - 1:00,
and by appointment.

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 and graph analysis, obtain a sound understanding of microeconomic concepts including economic problems, production possibilities frontiers, consumer behavior and demand curves, firm behavior and supply curves, market equilibrium and different market structures.

Required Text:

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

* All readings in the course outline refer to Tresch.

Exams:

Your course grade will be based on:

Two quizzes	20% (10% each)	on September 27 & November 20
Midterm exam (in class)	30%	October 25
Final exam (in class)	50%	December 13 (EC131.09) December 16 (EC131.10)

Absolutely **NO** make up exams and/or quizzes will be given in this course. A missed quiz or exam will be scored a zero, unless you have received my consent, **before the exam**, to miss it. Consent to miss a quiz or exam will be given at my discretion and in very exceptional cases only. In such cases, the remaining scores will be reweighted.

Problem Sets:

Problem sets will be given throughout the course. They are optional but strongly recommended. Problem sets will be graded as a direct reflection of your effort in the course and your understanding of the course material. **Your problem set grades will be considered if you are at the border between two course grades.** You are encouraged to work on problem sets in groups, but must submit your own answers. Late problem sets may be submitted for review, but will not be graded.

Academic Integrity:

Please note that cheating on any exam or quiz will not be tolerated and will result in an automatic failing grade on that exam or quiz. You will be strictly held to the standard of academic integrity detailed in the University Catalogue at all times.

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Course Outline:

I. Introduction (1 1/2 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 (6 1/2 weeks)

A. Markets for Goods and Services

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|---|-------------------|
| 1. Consumer Behavior & Demand Curve | |
| i. Demand and Elasticity | Ch. 5 |
| ii. Behind demand curve: | |
| Utility Functions and indifference curves | Ch. 10 |
| Consumer Choice w/ indifference curves | Ch. 10 Appendix:1 |
| 2. Theory of the Firm & Supply Curve | |
| i. Supply | Ch. 6 |
| ii. Cost analysis and Least-cost rule | Ch.11 |
| 3. Market Equilibrium & Applications | Ch. 7 & 8 |

B. Competitive Labor Markets Ch. 9

C. Evaluation of the Market System Ch. 23 (pp.642-662)

III. Alternative Market Structures (3 weeks)

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|---|--------|
| 1. Perfect Competition | Ch. 13 |
| 2. Pure Monopoly | Ch. 14 |
| 3. Monopolistic Competition | Ch. 15 |
| 4. Oligopoly | Ch. 16 |
| 5. Evaluation of Big Business & U.S. Antitrust Policy | Ch.17 |

IV. Topics in Microeconomics (1 week; as time permits)

(A subset of the following topics)

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| 1. Human Capital Theory and Discrimination | Ch. 19 |
| 2. Government Revenues, The Principles of Taxation, and the Economics of Democracy | Ch. 24 |
| 3. Game Theory | to be assigned. |