

**BOSTON COLLEGE**  
Department of Economics

**EC 131.09 & .10**  
Principles of Economics  
Fall 1998

**Instructor: Metin Celebi**  
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**Class Time and Room:** M-W-F 1 & 2, Fulton 423  
**Office Hours:** W-F 11:00-12:00, or by appointment

**Course Objective:**

The objective of the course is to learn the basics of microeconomics. This includes learning and using the terminology of economics, applying fundamental economic tools such as production possibilities frontiers, demand curves, firm behavior and supply curves, market equilibrium, different market structures, market failures, etc.

**Text:** (required) Tresch, R. W., "Principles of Economics", West Publishing Company, 1994

**Course Requirements:**

**% of grade**

Midterm Exam (October 21, Wed.)	35
Final Exam (December 16, Wed., 9:00 or 11:30)	40
Problem Sets	10
Pop quizzes	15

**Course Organization and Expectations:**

- You are held responsible for all readings, assignments, and announcements made in class.
- There will be some problem sets (approximately every other week) over the course of the semester. Problem sets will be handed out in class by one week before they are due, and they must be turned in on the due date prior to class. They are designed to help you understand the material, and practice for the exams. One question will be randomly chosen from that week's problem set, and only that question will be graded. You are encouraged to work together on the problem sets, but you must submit your own answers. My answers to problems will be made available.
- There will be no make-up exams. If you miss an exam for good reason, let me know immediately. Otherwise, any missed exam will be scored a zero unless you notify me ahead of time and I give my consent for you to miss it. Consent for a make-up exam will be given at my discretion, and in very exceptional cases only. Personal illness will require a note from the health center. If you do poorly on one exam, but consistently well on the other assignments, the one poor exam may be discounted dependent on your class participation.
- There will be a number of quizzes (2 to 5) during class time, and their dates will not be announced before. I will eliminate the quiz with the lowest grade, and consider only the remaining ones in determining your total grade. They are meant to encourage you to study consistently and systematically over the semester. Believe it or not you will find this less exhausting.
- The final exam is comprehensive and required.

- Class attendance is required, and attendance falling below 75% of the number of classes will result in cutting one notch off your final grade (ex. from C+ to C, or from A to A-).
- I expect you to read the assigned text carefully, and to attend all classes. I recommend regularly reading the text, and reviewing your notes on a weekly if not daily basis.
- Active class participation is strongly encouraged and required by the university.
- There are no formal prerequisites for this class. However, certain mathematical skills up to and including high school algebra are essential. The most important skill is how to read and understand graphs.

**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.

### **Course Outline:**

#### **1. Overview of the Competitive Market Economy (7 weeks)**

##### **A. Fundamental Economic Principles and Issues (2 weeks)**

- The Economic Problem (Ch. 1,2; Ch. 4 pp. 77-80)
- Society's Economic Problem (Ch. 3 pp. 38-57, Ch. 41)
- Choosing an Economic System (Ch. 3 pp. 57-66)
- Overview of Markets and the U.S. Economy (Ch. 4)

##### **B. Competitive Markets-The Laws of Supply and Demand (5 weeks)**

- Markets for Goods and Services
  - Demand (Ch. 5)
  - Supply (Ch. 6)
  - Equilibrium and Market Efficiency (Ch. 7)
  - Applications (Ch. 8)
- Competitive Labor Markets (Ch. 9)
- Evaluation of the Market System (Ch. 23)

#### **2. Behaviour of Firms in a Market Economy (4 weeks)**

##### **A. Hiring Factors of Production**

- Theory (Ch. 11 pp. 278-299)
- Applications (Ch. 11 pp. 299-309)

##### **B. Investment Analysis (Ch. 12)**

##### **C. Alternative Market Structures**

- Overview (Part IV pp. 338-343)
- Perfect Competition (Ch. 13)
- Pure Monopoly (Ch. 14)
- Monopolistic Competition and Oligopoly (Ch. 15, 16)

##### **D. Evaluation of Big Business and U.S. Antitrust Policy (Ch. 17)**