

BOSTON COLLEGE

Department of Economics

EC 131.01 (MWF 1)

Instructor : Khan Seshadri

Spring 1998 Syllabus

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I. Learning Objectives of the Course

At the end of this course, the student should have a thorough understanding of the fundamentals of Microeconomics. It is the branch of economics that focuses attention on the behavior of consumers and firms, and the economic attributes of the various market structures that result from their interaction and interdependence. The course will also consider aspects of government intervention in the market, and its impacts on market equilibrium.

II. Required Text

Tresch, Richard W. , **Principles of Economics** , West Publishing Company , 1994. All readings in the syllabus refer to the above. Time permitting, I may assign other readings from within or outside the text. The student is responsible for all assigned readings in the text book and any other readings that may be assigned.

III . Course Grades

<u>Exam</u>	<u>Dates</u>	<u>% of Grade</u>
Best 3 of 4 Midterms	Feb 4, 25, Mar 25, Apr 22	20% each
Final Exam	May 4 (12:30 p.m.)	40%

- In addition, several problem sets will be assigned over the course of the semester. You do not need to turn these in, **but you must be able to solve these problem sets to obtain a passing grade on the tests and the final. I will hand out solutions to the problem set within one week of giving you the problem sets.**

IV . Course Logistics (Letter and Spirit)

- The final exam is comprehensive and required. Absence from the final will result in a failing grade.

- **There will be absolutely NO make up tests in this course.** Any missed test will be entered as a **zero, and will be treated as your lowest score**. In the event of an emergency or extenuating circumstances, **documentation from the Dean of your school and a Doctor are required.** In such cases, the average test grade will replace the missed test.

-**If school is canceled on the day of any exam (test or final) due to inclement weather or any other emergency, the exam will be administered at 6 p.m. on the next class day.**

- **Since the dates of the exams are known to you well in advance, please make any travel arrangements accordingly. SPRING BREAK REVELERS, EASTER TRAVELERS, PATRIOTS DAY OBSERVERS, PLEASE NOTE!**

- **ACADEMIC INTEGRITY : No form of cheating on an exam will be tolerated. The minimum action is an automatic failing grade on the exam or quiz in question.**

Please refer to the page on Academic Integrity taken from the BC student handbook.

These principles should guide you not only in this course, but throughout your studies.

V . A Few pointers on how to get the most out of the course.

- Your ability to understand the material as the semester moves on, depends **crucially** on how well you assimilate the elementary material presented in the earlier sections of the course. Make sure that your basics are sound, or you might find the damage control later on to be too costly. This is particularly true of the later parts of the semester, when the pressures from your other courses become more difficult to manage. Furthermore, for those of you who are planning to take the macro course in the spring, a good understanding of micro is a strong asset right from the beginning. So check yourself early on, and thereafter on a regular basis. **The problem sets are meant to help you do this.** The moment a problem arises, take care of it immediately. My office hours represent the time that I have set apart for you. Make sure that you use them effectively to your advantage, rather than accumulating problems until they get out of control.

- **Unfailingly regular class attendance is extremely important.** This ensures that your learning is first hand. You will halve your stress at exam / quiz time by attending the class in *mind and presence*. Your active participation in class is strongly encouraged. You are always welcome to ask questions and raise related issues of interest. It serves to maximize your learning, and it gives me instant feedback on which concepts are difficult to grasp, which is vital if my teaching is to be effective.

- Get to know your classmates early. You can learn as much from each other as you can from me, through **constructive** and **regular** study groups. I encourage you to work together on your problem sets. **But also bear in mind the fact that simply copying someone else's problem set only serves to delude you. Such practices are not in your own best interests.**

- Even at the principles level, economics has a dominant mathematical aspect to it. If necessary, it is very important that you re-familiarize yourself with some algebraic and geometric skills. The most useful skill, is fluency in reading and interpretation of graphs. You should also be comfortable manipulating fractions, decimals, and percentages, and solving simple equations. While I will make every effort to present these techniques in class, I will assume that you are familiar with them.

- In addition to the help that you can receive from me, and from your classmates , there are excellent tutoring facilities that are available, **FREE**, at the **Academic Development Center** in O'Neill library. Use **all** the resources that are available to help you learn.

- As a social / business science, Economics lies at the root of goings-on in areas from **Law, Politics, Philosophy and Sociology to Finance and Marketing. There is practically no subject outside of the natural sciences which is not influenced by economics.** *From a very early stage, I strongly urge you to constantly reflect on the material that you obtain here.* Things may sometimes seem abstract and theoretical but they have far reaching social and business implications that will be useful **regardless of your major.** To the extent that time permits, I will try to suggest these perspectives, *but the power and the beauty of any knowledge you gain here ultimately rests in your hands.*

VI. Course Outline (subject to change if necessary)

- 1. Introduction to Economics.....(Approx. 1 1/2 weeks)**
 - a. The Economic Problem.....Chs. 1 and 2
 - b. Society and the Economic Problem..... Ch. 3
- 2. The Competitive Marketplace(Approx. 6 weeks)**
 - a. The Consumer and the Demand Curve
Individual Demand, Market Demand and Elasticity..... Ch. 5
 - b. Supply and Marginal Cost..... Ch. 6
 - c. Putting the pieces together - The Market Equilibrium..... Ch. 7
 - d. Applications and a basic look at Market regulation..... Ch. 8
 - e. Wages and Competitive Labour MarketsCh. 9
 - f. A closer look at the firm and cost analysis..... Ch. 11
- 3. Prevalent Market Structures(Approx. 3 1/2 weeks)**
 - a. Perfect Competition and its attributes Chs 13, review of 6, 7, 8
 - b Pure Monopoly and its regulation..... Ch. 14
 - c Monopolistic Competition..... Ch.15
 - d. A basic look at Oligopoly and Antitrust Law Chs. 16 (select), 17 (select)
- 4. Selected Interdisciplinary Applications (1 week,)**
 - a. Economics and Finance - Investments..... Ch. 12 (select)
 - b. Economics and Political Philosophy.....Ch. 24 (select), external readings