EC 131.01 Principles of Economics--Micro       Richard Tresch
MW 3:00, Fall 2013                        Maloney Hall, 480K
                                           x2-3671; Tresch@bc.edu

Required Text: Richard Tresch, Principles of Microeconomics, 12th Edition (referred to below as Tresch)

Course Requirements:

1 hour test (60 points)—Monday, October 28
Final examination (90 points)—Tuesday, December 17, 9:00
Numerous problem sets (optional, but strongly recommended), worth a maximum of 1/3 grade on the test average

NOTE: I have scheduled one additional lecture because of the Monday holidays:

Friday, November 8, 3:00, Devlin 008

Discussion Leaders: Laura Bonacors, Jinghan Cai, Rossella Greco, Zhaochen He

Syllabus

I. Overview of a Competitive Market Economy (7.5 weeks)
   A. Fundamental Economic Principles and Issues (2 weeks)
      1. The Economic Problem
         Tresch: Chapters 1, 2; Ch. 4 (pp. 63-66)
      2. Society’s Economic Problem
         Tresch: Ch. 3 (pp. 34-43); Ch. 23 (on developing nations-optional)
      3. Long-run Economic Growth
         Tresch: Ch. 3 (pp. 43-53).
      4. Overview of Markets and the U.S. Economy
         Tresch: Ch. 4
   B. Competitive Markets--The Laws of Supply and Demand (5.5 weeks)
      1. Markets for Goods and Services
         a. Demand--the Consumer
            Tresch: Ch. 5
II. Behavior of Business Firms in a Market Economy (4 weeks)

A. Hiring Factors of Production

1. Theory
   Tresch: Ch. 11 (pp. 248-267)

2. Applications -- Especially Industrial Water and Air Pollution
   Tresch: Ch. 11 (pp. 267-274)

B. Investment Analysis
   Tresch: Ch. 12 (the Appendix on government Cost-Benefit Analysis is optional)

C. The Four Main Market Structures

1. Overview
   Tresch: Part IV, pp. 304-308.

2. Perfect Competition
   Tresch: Ch. 13 (Review Ch. 7) (The Appendix to Ch. 13 is optional)

3. Pure Monopoly
   Tresch: Ch. 14

4. Monopolistic Competition and Oligopoly
   Tresch: Chs. 15, 16
D. Evaluation of Big Business and U.S. Antitrust Policy
   Tresch: Ch. 17

III. Factor Markets and the Distribution of Income in the United States (1.5 weeks)
   (A selection of topics from the following, as time permits)
   A. Labor Markets: Further Explanation of Differences in Earnings
      Tresch: Chs. 18, 19
   B. The Distribution of Income and Poverty in the United States
      Tresch: Ch. 20

A note on EC131 and the Core:

EC131 is designed to meet a number of needs. It is the first course in the economics major and minor, it is a required course for all CSOM students, it is one of the choices to fulfill the social sciences Core requirement, and it serves as an elective to anyone who wants an introduction to economics. It introduces the basic tools of economic analysis and applies these tools both to problems of historical interest and to current public policy. It explores the development of economic analysis through the work of Adam Smith, Alfred Marshall, Joseph Schumpeter and other giants in the field. Finally, it looks at how we bring together what we learn from economics with what we learn from other fields.

Academic Integrity

Your work on exams is to be entirely your own. Be sure you are familiar with the sections on "Academic Integrity" in the Boston College Catalog (pp. 35-36) or online at BCInfo, (A-Z index, Academic Integrity). Be aware that I, and your TAs, take this most seriously.