

BOSTON COLLEGE
Department of Economics

Ec 131.02
Principles of Economics-Micro
Fall, 2002
Devlin 008, T, Th, 1:30

Harold Petersen
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Texts: Samuelson, Paul A., and Nordhaus, William D. Economics, 17th ed., 2001.
Novak, Michael. Business as a Calling: Work and the Examined Life, 1996.

Course Requirements: 2 midterm exams (25% each), **Oct. 1 and Nov. 5**
a final exam (40%), on **Dec. 16** at 12:30 p.m.
a one-page paper on Novak's book (10%), due **Nov. 14**
numerous problem sets (optional, but strongly recommended)
used as additional evidence for up to one notch on your final
grade (C to C+, B- to B, etc.)

Course Organization and Expectations:

The course meets for two lectures per week (Tuesdays and Thursdays from 1:30 to 2:45) and in most weeks for a problem-discussion section as well. Be sure to sign up for a discussion section by Thursday, September 5. Problem sets will be handed out in class by one week before they are due and are to be turned in on the day due either just prior to class or during the five-minute break in the middle of class. Your teaching assistant will go over the problem sets, return them in the discussion sessions, and will respond to questions you may have on either the problem sets or material presented in the lectures or the text. Time permitting, your T.A. will expand on topics from the text not covered in the lectures.

You are expected to read the text carefully, attend all classes, work through the problem sets, and to come with questions to your discussion sessions. You may work together on the problem sets--indeed you are encouraged to do so--but you are not simply to copy the work from someone else. You are to work through your own answers before turning them in.

Your work on exams and your work on the Novak paper are to be entirely your own. Be sure you are familiar with the sections on "Academic Integrity" in the Boston College Catalog (pp. 30-32) and be aware that your instructor and your T.A. take this most seriously.

There will be no make-up exams. If you miss an exam for good reason, let me know immediately (my phone has voice mail in the event I am not in) and you will be graded on the other exam and the final. If you do poorly on one mid-term but consistently well on the other one and the final, the one poor exam will be discounted (but not completely ignored).

Read Novak's book, particularly chapters 3-6 and try to relate what Novak says to what you find in your text and hear in the lectures. Then write a one-page comment on some aspect of Novak's book. This can be on a single point that really strikes you or it can be on Novak's overall theme. You can agree or disagree with Novak. You can indicate how his work complements that of Samuelson and Nordhaus or how it is contrary to it.

I want you to follow current press reports on issues we are dealing with in class. Raise questions and approach me after class. The course will be much more meaningful if we follow current policy issues and then look at them in terms of the analytical apparatus developed throughout the course.

Finally, a word on economics. It will be completely new to most of you, and many of you will find it difficult. But you have an excellent text and you will have problem sets designed to help you master the more difficult material. You will find your T.A. more than willing to help if you are doing your share as well. If you take the course seriously and you work at it, most particularly early on, you will gain understanding in a completely new area of experience. You may even find it as exciting and as interesting as do those of us who call ourselves economists.

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Syllabus

| <u>Date</u> | <u>Topics</u> | <u>Text Assignment</u> |
|-------------|---|---|
| Sept. | 3 Introduction: Scarcity and Choice | Ch. 1(A and B) |
| | 5 Central Economic Problems: The Production Possibility Frontier The Law of Diminishing Returns | Ch. 1(C) Ch. 6 (pp. 110-112) Ch. 18 (pp. 364-366) |
| | 10 The Price System | Ch. 2 |
| | 12 Supply and Demand | Ch. 3 |
| | 17 Elasticity of Demand and Supply | Ch. 4(A) |
| | 19 Demand, Utility, and Consumer Behavior | Ch. 5 |
| | 24 Applications of Supply and Demand: Farm subsidies, the Minimum Wage, Alcohol, Tobacco, and Drugs | Ch. 4(B) |
| | 26 Production and Business Organization | Ch. 6 |
| Oct. | 1 Exam | |
| | 3 Cost and Supply | Ch. 7 |
| | 8 Competitive Markets | Ch. 8 |
| | 10 Monopoly and Imperfect Competition | Ch. 9 |
| | 15 Oligopoly and Monopolistic Competition | Ch. 10 |
| | 17 Regulation and Antitrust | Ch. 17 |
| | 22 Marginal Productivity, Wages, and Rent | Ch. 12 |
| | 24 Wage Differentials and Discrimination | Ch. 13 |
| | 29 Capital, Interest, and Profits | Ch. 14 |
| | 31 The Stock Market and Economic Efficiency | Ch. 25(C) |
| Nov. | 5 Exam | |
| | 7 Markets and the Role of Government | Ch. 16(A) |
| | 12 Government Programs and Taxation | Ch. 16(B and C) |
| | 14 Economics of the Environment | Ch. 18 |
| | 19 Income Distribution, Poverty and Welfare | Ch. 19 |
| | 21 Free Trade, Tariffs, and Quotas | Ch. 15 |
| | 26 The Process of Economic Growth | Ch. 27 |
| Dec. | 3 Strategies for Economic Development | Ch. 28 |
| | 5 Reflections on Economics and Ethics: The Moral Dimensions of Economic Activity | |
| | 10 Summary and Review | |
| | 16 Final Exam 12:30 p.m. | |