

BOSTON COLLEGE
DEPARTMENT OF ECONOMICS

EC131.03
Fall 2008
T Th 10:30-11:45
Devlin 008

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Office hours: T 3:30 – 4:30
W 4:30 – 5:30
Th 4:30 – 5:30

PRINCIPLES OF MICROECONOMICS

Most decision making entities, from individuals and families to firms to entire nations, have more material needs and goals than they have means to meet them. Faced with the inability to do or to purchase all that they would like, decision makers have to allocate their scarce resources to meet some but not all of their needs. Microeconomics analyzes how these decisions are made, by households and by firms, and how these individual decisions are aggregated into markets for goods and services. We will study the impact and features of different types of markets, from competitive to monopolistic. Finally, we will discuss the role of the public sector (government) in a modern economy. Educated citizens should understand economics!

I highly recommend that you read the material assigned **before** we discuss it in class, and then read it again **afterwards**. The total amount of reading in this course is modest, but the wise student will read it several times. In addition to the textbook assignments (see below), I will be on the look out (and so should you) for relevant material in newspapers and magazines, and I will send articles of interest to you. If you see something related to one of our topics, email it to me. The course material is cumulative, so missing classes and falling behind are particularly bad ideas.

Even though this is a large lecture course, I will encourage some **discussion in class** by asking questions, which I urge you to think about and to answer. This is another reason to have read the material beforehand. I also encourage you to **ask questions**, especially when you are confused. If you are confused, so are many of your classmates! Do us all a favor, and ask.

In addition to the Tuesday and Thursday meetings at 10:30, each of you will have a discussion section once per week, on either Monday, Tuesday or Wednesday, run by one of our Teaching Assistants: Alessandro Barattieri, Aaron Fix or Radoslav Raykov, all of whom are students in the Boston College doctoral program in Economics. This, and their weekly office hours, will provide you another opportunity to discuss material you do not fully understand.

I urge you to **study together**. You can learn as much from each other as you can from the textbook or from class.

The textbook is **Principles of Economics** (2007: 4th edition), by **N. Gregory Mankiw**. We will also be using (for the first time!) some software designed by Aplia to accompany our text, which allows problem sets to be submitted and graded electronically. Further instructions will be provided.

Important dates: Midterm exams are scheduled for

Thursday, October 2 and
Thursday, November 6, both during regular class time, and the

comprehensive final exam will be given on

Saturday, December 13, at 12:30 PM.

Put these important dates in your social calendar now! If you have to miss a midterm, please let me know as soon as you know it. There will not be a make-up exam, and the weights on subsequent exams will be increased proportionately.

Approximate weights for your **final grade** will be:

Problem sets	15 points
Midterm I	20 points
Midterm II	25 points
Final exam	40 points

The academic enterprise at Boston College requires **academic integrity**, which in this course means that all your work on exams is your own. You may work with others in preparation for the problems sets, but the electronic submission should be your own work. Given that the primary goal of the problems sets is to learn the material, doing your own work is also in your own best interest. Violations of academic integrity will be reported to your class dean and then reviewed by the College of Arts and Sciences Academic Integrity Committee. Consequences can be very serious. I urge you to review university policy and procedures, available at <http://www.bc.edu/integrity>. If you have any questions, please consult with me.

SYLLABUS

<u>Date</u>	<u>Topic</u>	<u>Reading assignment from Mankiw text</u>
9/2	Introduction	Ch 1 and Ch 2 appendix
9/4	Economic models	Ch 2
9/9	Gains from trade	Ch 3
9/11,16	Supply, demand, and markets	Ch 4
9/18,23	Elasticities	Ch 5
9/25	Applications	Ch 6
9/30	Welfare Economics	Ch 7
10/2	FIRST MIDTERM	Chs 1-6
10/7	Taxation and welfare economics	Ch 8
10/9	Costs of production	Ch 13
10/14,16	Competitive markets	Ch 14
10/21,23	Monopoly markets	Ch 15
10/28	Oligopoly markets	Ch 16
10/30	Monopolistic competition	Ch 17
11/4	Factors of production - labor markets (and remember to VOTE!!)	Ch 18 (to p. 406)
11/6	SECOND MIDTERM	Chs 7-8, 13-17
11/11	Factors of production – other factors	Ch 18 (p. 407 to end)
11/13	Earnings and wage discrimination	Ch 19
11/18,20	Income inequality and poverty	Ch 20
11/25	Externalities	Ch 10
12/2,4	Public goods and common property resources	Ch 11
12/13	FINAL EXAM on Saturday at 12:30 pm	all Chs assigned

In a Principles of Economics course, problems sets are essential for understanding the material. There is no substitute for hands-on experience with economics questions. The problems sets, which you will submit electronically, are due at the times noted below. The Aplia software is designed not to accept problem sets that are submitted late, and to give a grade of zero for problem sets not received on time, so do not wait until the last minute to submit them. To deal with unanticipated events that might prevent you from submitting a problem set by its due date, the lowest 2 grades among your 11 problems sets will be dropped from the grade calculation.

<u>Problem Set</u>	<u>Material in</u>	<u>Due</u>
1	Ch 1-3	Sun 9/14, 11:55 PM
2	Ch 4	Sun 9/21, 11:55 PM
3	Ch 5,6	Sun 9/28, 11:55 PM

First midterm

4	Ch 7	Sun 10/5, 11:55 PM
5	Ch 8,13	Sun 10/12, 11:55 PM
6	Ch 14	Sun 10/19, 11:55 PM
7	Ch 15	Sun 10/26, 11:55 PM
8	Ch 16,17	Sun 11/2, 11:55 PM

Second midterm

9	Ch 18,19	Sun 11/16, 11:55 PM
10	Ch 20	Sun 11/23, 11:55 PM
11	Ch 10,11	Sun 12/7, 11:55 PM

Final exam