EC 131.01 Principles of Microeconomics
Fall 2012
(subject to change, at the discretion of the instructor)

Instructor: Can Erbil
E-mail: can.erbil@bc.edu
Office: 21 Campanella Way, 480N
Office Hours: M and W 1:30 - 2:30pm and by appointment
Scheduled Class Time and Location: T, Th 1:30-2:45pm, Devlin 008
Teaching Assistants: Brent Bundick brent.bundick@bc.edu
Stacey Chan stacey.chan@bc.edu
Xinhao Dong xinhao.dong@bc.edu
Mashfiqur Khan mashfiqur.khan@bc.edu

Required Text: Krugman/Wells, Microeconomics, 3rd edition (2013) + Aplia Software
ISBN: 1464113262 (referred to below as KW3)
PRINCIPLES OF MICROECONOMICS

Most decision-making entities, such as individuals, families, firms and nations, have more material needs and goals than they have means to meet them. Faced with the inability to do all that they would like to do, decision-makers have to allocate their scarce resources to meet some, but not all, of their needs and goals. Microeconomics analyzes how these allocation 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 characteristics and outcomes of different types of markets, from competitive oligopolistic to monopolistic. Finally, we will discuss the role of the public sector (government) in a modern market economy.

This course is an introduction to the field of Economics.
It will:
- give you an idea of the range of behaviors that economists investigate
- introduce you to the basic tools we use to analyze the economy
- apply these tools to public policy issues

Perhaps most important, this course will introduce you to the “economic way of thinking,” an approach to decision making that applies to personal decisions, to the decisions of businesses, labor unions and other organizations, and to the larger choices that society faces.

This course satisfies the School of Social Science distribution requirements and the Quantitative Reasoning component of the General University Requirements. It is also the first course for any student considering a concentration or minor in Economics.

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.

The total amount of reading in this course is modest, but the prudent student will read it several times. I highly recommend that you read the material assigned before we discuss it in class, and then read it again afterwards. In addition to the chapters in the textbook, I will look (and so should you!) for relevant material in newspapers and magazines, and I will often post articles of interest to you. (on our Blackboard Vista site). If you see something related to one of our topics, send it to me, and I may pass it on to your classmates. The course material is cumulative, with each topic building on prior ones, so missing classes and falling behind are particularly bad ideas.
Even though this is a very large (200+ students!) lecture course, I will encourage discussion in class by asking you questions, which I urge you to think about and answer. I also encourage you to ask questions in class, especially when you are confused. If you are confused, so are many of your classmates. Do us all a favor, and speak up!

In addition to our Tuesday and Thursday classes at 1:30pm, each of you will have a 50 minute discussion section during most weeks, on either Monday, Tuesday or Wednesday, run by one of our four Teaching Assistants: Brent Bundick, Stacey Chan, Xinhao Dong, Mashfiqur Khan, all of whom are doctoral students in Economics at Boston College. They will be your “Micro Mentors” during the semester.

M 12, 1, 3 (McGuinn 29, 30, 29)  Brent Bundick
W 11, 2, 3 (McGuinn 29)  Stacey Chan
W 9, 10, 12 (McGuinn 29)  Xinhao Dong
T 9, 11 (McGuinn 30)  Mashfiqur Khan
F 11 (McGuinn 29)  Mashfiqur Khan

These discussion sections and the Teaching Assistants’ weekly office hours (TBA) will provide you additional opportunities to discuss class material.

I encourage you to meet with your TAs and ask them questions. You can also make an appointment with any of them, if your schedule doesn’t fit to their office hours. Your TAs are primarily in charge of the problem sets and the discussion sessions, where they will take attendance and monitor your participation.

Hence, all questions related to the problem sets first go to the TAs.

You can also find free tutoring assistance at the Connors Family Learning Center in O’Neill Library.

We will be using mandatory homework software by Aplia (CengageBrain), which allows weekly problem sets to be submitted and graded electronically. The software is designed for our textbook, Krugman/Wells, Microeconomics, 3rd edition (2013).

The Boston College bookstore offers the Aplia software access card, and the card + the KW Microeconomics textbook, but the bookstore is usually a little more expensive.

Please find more information on how to register to Aplia at the end of the syllabus.

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 Aplia problems sets will be submitted electronically. The Aplia software will not accept problem sets that are submitted late (even a minute late!) and will assign a
grade of zero for problem sets not submitted on time, so do not wait until the last minute to submit them. Computer glitches happen! To deal with unanticipated events that might prevent you from submitting a problem set on time, the lowest of your problem set grades will be dropped from the grade calculation.

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

NOTE: The **KW website** provides excellent resources for you, including key term self-quizzes and flashcards, and PowerPoint slides, all under <Student Resources> at: http://bcs.worthpublishers.com/krugmanwellsmicro3/default.asp#t_768085____

**Information Dissemination**

In Economics 131.03 we will maintain a course website on **Blackboard Vista**.

Please check the website frequently as the additional problem sets, answer keys, notes, announcements and more will be posted there (as .pdf) and will be available for you to download/access.

The best way to reach me is via e-mail (can.erbil@bc.edu). Please don’t leave any voice messages on my office phone, since I don’t check them on a regular basis.

**Optimizing Your Performance**

Here are some suggestions that may help you to have the best chance to do well in Economics 131.03:

1) **Attend the lecture.** The purpose of the course is to teach you something, not to toss out information and see how much sinks in.

2) Do the **assigned readings** before class to get a preview of the material to be covered and to prepare any questions you have about this material. Study the material, don’t just read it.

3) Check our **course website** regularly. I will update it weekly to indicate our progress on the outline.

4) Take the **problem sets** seriously, because they are the best indication of whether you understand the material and they are the best preparation for the exams.

5) When preparing for exams, let the **lectures** guide you as to what is really important.

6) And by all means, seek help from the **TAs** and the instructor if you need it, and before you get hopelessly behind.
IMPORTANT DATES (Put them in your calendar now!)

Midterm exams are scheduled for

Thursday, October 11 and
Thursday, November 15, both during regular class time.

The comprehensive final exam will be given on

Monday, December 17, at 12:30 PM

If you have to miss a midterm, please let me know as soon as you know it. There will be NO make-up exams; if you miss an exam, the weights on your subsequent exams will be increased proportionately.

Approximate weights for your final grade will be:

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<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Participation</td>
<td>10</td>
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<tr>
<td>Problem sets</td>
<td>10</td>
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<tr>
<td>Midterm I</td>
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<tr>
<td>Midterm II</td>
<td>25</td>
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<td>Final exam</td>
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Academic Integrity

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. Any infraction of Boston College’s Academic Integrity Policy (available online at http://www.bc.edu/offices/stserv/academic/resources/policy.html#integrity) will result in an automatic F for the course and the offense will be reported to the Dean’s office and then reviewed by the College of Arts and Sciences Academic Integrity Committee. There will be no exceptions.

Other consequences can be even more serious. I urge you to review university policy and procedures, available in the Boston College Catalog or online under <academic integrity> at http://www.bc.edu/integrity

Disability Services

Boston College is committed to providing equal and integrated access for students with disabilities to all available academic, social, and recreational programs and activities. The Disability Services Office at Boston College ensures that students with disabilities receive appropriate accommodations and assistance in order to participate fully in University programs. Students requiring assistance are advised
to get in touch with the Office of the Dean for Student Development (on the web at http://www.bc.edu/offices/odsd/disabilityservices.html).

If you have any questions, please consult with me.

**Syllabus**

(Preliminary and subject to change at the instructors discretion)

(1st week)
**PART 1 What is Economics?**
- Intro: The Ordinary Business of Life
  - 1 First Principles
  - 2 Economic Models: Trade-offs and Trade
- Appendix: Graphs in Economics

(2nd – 4th weeks)
**PART 2 Supply and Demand**
- 3 Supply and Demand
- 4 Price Controls and Quotas: Meddling with Markets
- 5 Consumer and Producer Surplus
- 6 Elasticity

(5th and 6th weeks)
**PART 3 Individuals and Markets**
- 7 Taxes
- 8 International Trade

**PART 4 Economics and Decision Making**
- 9 Making Decisions

(7th week)
**PART 5 The Consumer**
- 10 The Rational Consumer
- Appendix: Consumer Preferences and Consumer Choice

(8th week)
**PART 6 The Production Decision**
- 11 Behind the Supply Curve: Inputs and Costs
- 12 Perfect Competition and the Supply Curve

(9th-10th weeks)
**PART 7 Market Structure: Beyond Perfect Competition**
- 13 Monopoly
- 14 Oligopoly
- 15 Monopolistic Competition and Product Differentiation
(11th-12th weeks)

PART 8 Microeconomics and Public Policy
16 Externalities
17 Public Goods and Common Resources
18 The Economics of the Welfare State

(13th- 14th weeks)

PART 9 Factor Markets and Risk
19 Factor Markets and the Distribution of Income
Appendix: Indifference Curve Analysis of Labor Supply
20 Uncertainty, Risk, and Private Information

MORE ON APLIA

How to access your Aplia course

Ec131.03

Instructor: Can Erbil
Start Date: 09/04/2012
Course Key: WEDC-29CA-NPDB

Registration

Aplia is part of CengageBrain, which allows you to sign in to a single site to access your Cengage materials and courses.

1. Connect to http://login.cengagebrain.com/
2. If you already have an account, sign in. From your Dashboard, enter your course key (WEDC-29CA-NPDB) in the box provided, and click the Register button.
   If you don't have an account, click the Create a New Account button, and enter your course key when prompted: WEDC-29CA-NPDB. Continue to follow the on-screen instructions.

Payment

Online: Purchase access to your course (including the digital textbook) from the CengageBrain website.

Bookstore: Purchase access to Aplia from your bookstore. Check with the bookstore to find out what they offer for your course.

After paying, you will have the option to purchase a physical book at a discounted price. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 09/24/2012.
How to access my EconPortal to accompany KW3:

Other very useful, recommended reading sources:

- "The Economist"
- "The NY Times"
- "The Financial Times"
- "The Wall Street Journal"
CORPORATE LEADERS GATHER IN A FIELD OUTSIDE DARIEN, CONNECTICUT, WHERE ONE OF THEM CLAIMS TO HAVE SEEN THE INVISIBLE HAND OF THE MARKETPLACE.