

Principles of Microeconomics (Ec 2010)

Winter 2002

M.W. 3:00-4:50 p.m.

118 State

Professor: Jee-Hyeong Park

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Office Hours: M.W. 1:50 pm-2:50 p.m. and by appointment

COURSE DESCRIPTION: Microeconomics studies how a market economy works. However, it is **not** just a **description** of the workings of a market economy. Rather, it is a **method of analyzing** the decisions of consumers and firms and of explaining the role of markets in coordinating those decisions. You will learn to "**think like an economist**" in this course, which means that you will understand how economics is used to analyze and explain *a wide variety of economic and political issues*. By the end of the course, you will understand how markets work and the role of government in a modern economy.

PREREQUISITES: You should be able to read and understand graphs, and perform calculations using fractions and percentages.

REQUIRED TEXT:

N. Gregory Mankiw, Principles of Microeconomics -2nd edition, 2001 - Available at the Wayne State University Bookstore.

GRADING:

2 Midterm Exams (February 11, March 20) 30% EACH

Comprehensive Final Exam (April 26) 40%

Please note the dates of the exams now and DO NOT MAKE PLANS THAT CONFLICT WITH THESE DATES! Make-up exams will not be given. If you miss any exam without my approval or justifiable (with proving documents) reason, you will get zero score for the missed exam.

About 30% of questions of each exam will come from "**Practice Questions**" to be posted in my web page (<http://www.econ.wayne.edu/~jhpark>). The best way to learn economics is to solve problems, and this overlap of Practice Questions and Exam Questions will provide for you extra incentives to learn economics by solving problems.

UNACCEPTABLE BEHAVIOR

Academic dishonesty: Simply, the rule is NO CHEATING. Penalties can range from receiving an "F" in the course to referral to the dean of the college or school in which you are enrolled for further disciplinary action, which may include suspension.

COURSE OUTLINE (This schedule is subject to change as the course progresses.)

Part I. Introduction to Microeconomics / Supply and Demand I: How Markets work

1. Ten principles of economics – January 7, January 9
 2. Thinking like an economists – January 9, January 14
 3. Interdependence and the gains from trade – January 16, January 23
 4. The market forces of supply and demand – January 28, January 30
 5. Elasticity and its application – January 30, February 4
- Review of Part I. – February 6
- 1st Midterm Exam (in class, 2 hours)– February 11

Part II. Supply and Demand II: Markets and Welfare / The Economics of Public Sector

7. Consumers, producers, and the efficiency of markets – February 13, February 18.
 8. Application: the costs of taxation – February 20, February 25
 10. Externalities – February 27, March 4
 11. Public goods and common resources March 4, March 6
- Review of Part II – March 18
- 2nd Midterm Exam (in class, 2 hours)– March 20

Part III. Firm Behavior and the Organization of Industry

13. The cost of production – March 25, March 27
 14. Firms in competitive markets – April 1, April 3
 15. Monopoly – April 8, April 10
 16. Oligopoly – April 10, April 15
 17. Monopolistic Competition, - April 17
- Review of Part III – April 22.

- Final Exam – Friday April 26, 1:20 – 3:50 p.m. in the same classroom (118 State).