



Principles of Microeconomics
(ECON 001)
Section #4934
Fall 2014

Instructor : Gus Montes
E-mail : montesa@wla.edu
Course website : <http://myetudes.org>
Office Hours : Tues, 4:45 p.m. – 5:45 p.m., General Classroom Building 340
(Etudes NG Chatroom)

Prerequisite: Elementary Algebra (Math 115). Students may take Economics 1 or 2 as the first course.

Catalog Description

This course is an introduction to the field of microeconomics, which focuses on the behavior of individual economic agents including consumers, business firms, and the government when confronted with scarcity. The course also examines contemporary social issues such as income distribution and poverty as well as global issues such as outsourcing and protectionism. Topics include supply and demand, elasticity, forms of business organizations, theory of production and cost, pricing and output decision in various market structures, market failure and the role of government, labor management relations, and international trade.

Introduction

This introductory microeconomics course provides an understanding of basic economic principles and forces, which govern the production, and distribution of goods and services. Topics include: forms of business organizations, the role of government in the economic system, value and price in a free enterprise system, labor/management relations and contemporary economic developments.

The objective of microeconomics is to provide the foundations for understanding of how an economy operates. All economic choices are ultimately made by individuals such as consumers, workers, investors, and managers. This course examines the decision making process of these economic agents and their interactions in individual markets. The functions of private property, entrepreneurship, and government regulation are also discussed. Production and pricing under various market structures, labor markets, and international trade as well as market failure are covered.

Course SLOs

- Apply the laws of demand and supply to analyze the market equilibrium price, price ceilings and price supports.
- Define price elasticity of demand and supply; identify types of elasticity; calculate the elasticity coefficient from two points on a demand curve or supply curve; and identify determinants of price elasticity.
- Construct and interpret a Lorenz curve for the distribution of income and wealth; discuss the factors that explain the distribution of income in the US; compare and contrast income inequality in US with other countries.

Required Materials

Required Text: William A. McEachern, *ECON Micro*, Student Fourth edition, Cengage. 2014. ISBN: 9781285423548. The textbook will be on two-hour, overnight, and 3 day reserve in the library. (The third edition of the textbook is OK.). Online purchase option: www.cengagebrain.com

Optional Materials: Students are encouraged to read the *Wall Street Journal*, *Financial Times*, *The Economist* or *Business Week* to keep current on economic issues.

Grading Scale

Range	Grade
90 - 100 %	A
80 - 89 %	B
70 - 79 %	C
60 - 69 %	D
Below 59%	F

Methods of Evaluation

Your grade will be based on your top two midterms, a final exam, and homework assignments. Weight of each evaluation component is as follows:

Three (3) Exams	30%
Seven (7) Quizzes	20%
Homework Assignments (Online)	30%
Final Exam	20%
Total	100%

Assessments	Points
Three (3) Exams	300 points
Seven (7) Quizzes	200 points
Online Homework Assignments	300 points
Final Exam	200 points
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Total points possible:	1,000 points

Exams and Make up Policy:

The exams will be based on readings from the textbook and lectures. The exams consist of multiple choice, problem solving, graphs, and short answer questions. All exams are closed book and closed notes. There will be no *make-up exams*, with the only exception being an emergency with sufficient and adequate documentation to prove it.

College Policies and Standards

Academic Integrity (Plagiarism)

In accordance with code 9803.28, academic dishonesty is prohibited and will not be tolerated in this class. Violations of academic integrity include, but are not limited to, the following actions: cheating on an exam, plagiarism, working together on an assignment, paper or project when the instructor has specifically stated students should not do so, submitting the same term paper to more than one instructor, or allowing another individual to assume one’s identity for the purpose of enhancing one’s grade. Academic dishonesty of any type, such as cheating or knowingly furnishing false information, by a student provides grounds for disciplinary action by the instructor or college. In written work, no material may be copied from another without proper quotation marks, footnotes, or appropriate documentation. Plagiarism will result in a zero for the assignment, possible dismissal from the class and disciplinary action from the college. You will not receive credit for any essay missing previous drafts, citations and/or a Works Cited page.

Student Conduct

According to code 9803.15, disruption of classes or college activities is prohibited and will not be tolerated. Refer to the catalog and the Standards of Student Conduct in the Schedule of Classes for more information.

Recording Devices

State law in California prohibits the use of any electronic listening or recording device in a classroom without prior consent of the instructor and college administration. Any student who needs to use electronic aids must secure the consent of the instructor. If the instructor agrees to the request, a notice of consent must be forwarded to the Vice President of Academic Affairs for approval (WLAC College Catalog).

For more information refer to the attached link:

http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf

Office of Disabled Student Programs and Services (DSP&S)

Student Services Building (SSB) 320 | (310) 287-4450.

West Los Angeles College recognizes and welcomes its responsibility to provide an equal educational opportunity to all disabled individuals. The Office of Disabled Students Programs and Services (DSP&S) has been established to provide support services for all verified disabled students pursuing a college education. DSP&S students may qualify for: priority registration, registration assistance, special parking permits, sign language interpreters and assistive technology (WLAC College Catalog).

Instructional Support (Tutoring) & Learning Skills Center

Heldman Learning Resources Center (HLRC) | (310) 287-4486

Improve your reading, language, vocabulary, spelling, math fundamentals and chemistry knowledge with convenient, self-paced computer-aided courses in the Learning Skills Center. Increase your knowledge and learning success: sign up for tutoring in various college subjects (WLAC College Catalog).

Library Services

Heldman Learning Resources Center (HLRC) | (310) 287-4269 & (310) 287-4486

The WLAC Library provides instruction on how to use the online catalog, periodical and research databases. In addition to a large collection of books, periodicals and videos the WLAC Library has course textbooks which students may use while in the Library. Web access is available in LIRL as well as meeting rooms. The upper floors provide a beautiful view ideal for study (WLAC College Catalog).

For more information refer to attached link:

http://www.wlac.edu/academics/pdf/WLAC_12-14Catalog_Policies.pdf

Detailed Course Schedule and Course Objectives

Week 1

PART I: INTRODUCTION TO ECONOMICS.

1. The Art and Science of Economic Analysis.
2. Economic Tools and Economic Systems.

Topics: Types of economic resources; the principle of efficient allocation of scarce resources to current economic issues; the importance of full employment and full production; a production possibilities frontier.

3. Economic Decision Makers.

Topics: A circular flow diagram, the major revenue sources and expenditure categories of the federal, state, and local governments; average and marginal tax rates; types of taxes collected in the US.

Week 2

4. Demand, Supply, and Markets.

Topics: the price mechanism, and competition, the demand curve; the supply curve; equilibrium, shortages, and surpluses in a supply and demand diagram; shifts in supply and demand; changes in equilibrium quantity and price.

PART 2: INTRODUCTION TO THE MARKET SYSTEM.

5. Elasticity of Demand and Supply.

Topics: The price elasticity of demand and its meaning; an inelastic and an elastic demand curve; the reasons why a good or service has a high or low elasticity; the relationship between price elasticity of demand and changes in total revenue caused by changes in price.

Week 3

6. Consumer Choice and Demand.

Topics: The meaning of marginal utility; the concept of diminishing marginal utility and apply it to human behavior; the relationship between relative prices and relative marginal utilities; the consumer surplus and explain its importance.

7. Production and Cost in the Firm.

Topics: fixed costs and variable costs; marginal costs and average costs; the importance of the short run and the long run for a business firm; the shutdown and going-out-of-business rules; average fixed cost, average variable cost, average total cost, and marginal cost.

Week 4

PART 3: MARKET STRUCTURE AND PRICING.

8. Perfect Competition.

Topics: Profit maximization, marginal revenue, total revenue and the profit maximizing level of output; the shutdown rule and going out of business rule; the shutdown rule and going out of business rule in a diagram; the graph of average cost to show efficiency for a firm; the difference between the firm's short run and long run supply curves.

9. Monopoly.

Topics: Examples of monopoly; examples of barriers to entry; demand and marginal revenue for a monopoly and the profit-maximizing level of output and profits; natural monopoly and public policies to deal with it.

Week 5

10. Monopolistic Competition and Oligopoly.

Topics: Examples of monopolistically competitive behavior; monopolistically competitive profit-maximization in the short run and in the long run; costs and benefits of product differentiation; costs and benefits of price discrimination; the efficiency of monopolistic competition; excess capacity; examples of oligopoly market structure.

PART 4: RESOURCE MARKETS.

11. Resource Markets.

Topics: Marginal physical product, total revenue product, and marginal revenue product; shifts in the marginal revenue product; the supply and demand curves for land; economic rent.

Week 6

12. Labor Markets and Labor Unions.

Topics: The backward-bending labor supply curve; a supply and demand curve determination of wage rates; reasons for wage differentials in the US labor market; the controversy of the minimum wage, the importance of key events in US labor history.

13. Capital, Interest, and Corporate Finance.

Topics: the supply and demand curves for loanable funds; the supply and demand curves for the productivity of capital and explain their meaning; define and summarize arguments for and against its social usefulness; discuss arguments for and against usury laws.

Week 7

14. Transaction Costs, Imperfect Information, and Market Behavior.

Topics: The rationale for the firm and its scope of operation; imperfect information and market behavior, the impact of asymmetric information on product markets; asymmetric information and labor markets.

PART 5: MARKET FAILURE AND PUBLIC POLICY

15. Economic Regulation and Antitrust Policy.

Topics: The trend in US market structures; the primary laws in US antitrust regulation; the trends in US antitrust regulation; the landmark cases in US antitrust law and their implications for policy.

16. Public Goods and Public Choice.

Topics: Goods as pure private, pure public, marketable public, or common resource, based on the characteristics of rivalry and excludability.

17. Externalities and the Environment.

Topics: The legal and regulatory system, the economic efficiency of markets; market failure; the government intervention and market failure.

Week 8

18. Income Distribution and Poverty.

Topics: a Lorenz curve for the distribution of income and wealth; the concepts of quintile and percentile to describe the distribution of income and wealth; the factors that explain the distribution of income in the US; the official US poverty measure, relative poverty and absolute poverty.

19. International Trade

Topics: The history of US trade; the history of US tariff laws; the production possibilities curve and trade possibilities curve for two countries; the concepts of absolute advantage and comparative advantage, potential gains from trade; arguments in favor and against reducing trade restrictions; the impact of trade restrictions.

Online Student Resources

WLAC Counseling: <http://www.wlac.edu/counseling/counselor.html>

WLAC Tutoring: http://www.wlac.edu/library/info/subject_tutoring.html

WLAC Library: <http://www.wlac.edu/library/>

Important Dates, Holidays, and Breaks

Exam 1, covering chapters 1-4, is on Tuesday, November 4.

Exam 2, covering chapters 5-8, is on Tuesday, November 18.

Exam 3, covering chapters 9-12, is on Tuesday, December 2.

Final Exam, covering chapters 13 - 19, is on Tuesday, December 16.

Campus closed on: Monday, Sep 1 (Labor Day)

Tuesday, Nov 11 (Veteran's Day,)

Thanksgiving, Nov. 27-30

Course Website (ETUDES-NG) Login Info:

You may access your online class by logging in at this URL: <http://myEtudes.org>

Simply use your complete Student ID Number for your Etudes User ID or the first 2 letters of your first name + the first 2 letters of your last name + the last 5 digits of your Student ID Number (not your social security number). If you do not know your Student Identification Number you can look it up using the Student Information System (SIS) at http://www.laccd.edu/student_information/sis_logon.asp If this is your first Etudes class your password is your Month and Day of birth. However, since Etudes passwords are permanent, if you have already taken a class using Etudes your password has not changed.

Example: Juan Straub, 88-459-0210, born July 4

- User ID: just90210
- Password: 0704

After you login you will see a list of the courses you are enrolled in on the top menu bar to the right of My Workspace. Just click on a course tab to access a course. Once you have entered the course, use the menu on the left to navigate the course. If you have trouble accessing the course on, or after, the start date visit the Online Student Help Desk at <http://www.wlac.edu/online/helpdesk.asp>. Review the Common Login Mistakes information on the left for solutions to common login problems. If your problem is not addressed send us a message explaining the problem or contact the Distance Learning Program Office at (310)287-4306 or via email at shemwer@wlab.edu