

Principles of Microeconomics
(ECON 001)
Section #0904
Spring 2015

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Course website: <http://myetudes.org>

Office Hours: MW, 7:30am –9:30am, General Classroom Building 380 GW, 8:00pm –9:00pm and F, 11:00am –12:00pm. (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. 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.

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:

Top 2 Midterm Exams	50% (each 25%)
Homework Assignments	20%
Final Exam	30%
Total	100%

Assessments

Points Top 2 Midterms (The lowest of the 3 midterms will be dropped)	150 points
Assignments	120 points
Final Exam	180 points
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Total points possible:	600 points

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, Weekly Topics

Week 1

Part 1: 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.

Week 2

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 3

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.

Week 4

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 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 5

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.

Week 6

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 7

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

Week 8

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 9

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.

Week 10

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 11

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.

Week 12

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 13

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

Week 14

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

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Week 15

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 16

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.

Important Dates, Holidays, and Breaks

Midterm 1, covering chapters 1-4, is on Monday, March 9.

Midterm 2, covering chapters 5-8, is on Monday, March 30.

Midterm 3, covering chapters 9-12, is on Monday, May 11.

Final Exam, covering chapters 13-19, is on Monday, June 1 at 11:30am.