

PRINCIPLES OF MICROECONOMICS (ECON 2010-030)
Department of Economics, University of Colorado
Fall, 2016

Classtime:

due to Labor Day, at 10am on Tuesday 6 Sept).

“Clickers” Each student must buy a *i>clicker*. If you do not already own one, an *i>clicker* may be purchased at the University of Colorado bookstore. Clickers will be used to promote faculty-student interaction. They will also be used to give class problems which will be scored.

Clickers must be registered at: <https://myCUinfo.colorado.edu> .
Register using your Identity Login (*not* your student ID).

Course description:

Microeconomics is about what goods get produced and at what prices they are sold. The individual must decide what goods to buy, how much to save and how

instructor and the student. Therefore, usage of laptop computers in class is restricted to following the course notes. To facilitate this, laptops may only be used in the front three rows of the classroom.

Difference with other sections:

I expect this section to go slower, cover fewer topics and put more emphasis on analysis than other sections.

Exams:

The two midterms will be given in the evening as:

FIRST MIDTERM: Monday 26 Sept, 7-9pm. Location: TBA

SECOND MIDTERM: Monday 24 October, 7-9pm. Location: TBA

The final exam will be held as:

FINAL: Tuesday 13 Dec, 1:30 - 4:00pm in RAMY C250

You must bring three blue-books to each exam.

Failure to be present at an exam:

If you fail to be present at an exam (unless you are ill and have a medical note from your doctor, or unless before the exam I have granted you permission to take a make-up exam), you will earn a score of 0 in the exam.

Drop-in Tutorial Lab:

The Department of Economics provides a free drop-in tutorial lab for undergraduates enrolled in Economics 2010 and other courses.

Information about the lab is available at:

www.colorado.edu/economics > undergraduate > drop-in tutorial lab

Tutors:

The Department of Economics keeps a list of tutors. Please contact the department's Main Office if you would like to review the list. The Main Office is in Room 212 in the Economics Building.

Using Clickers:

I consider it cheating if a student uses another student's clicker.

You get a green light when your answer is registered. If you get a red light, your clicker is not registering and your score is automatically zero.

Accommodations for students with special needs:

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671; Center for Community Building, Room N200; or <http://disabilityservices.colorado.edu>

If you have a temporary medical condition or injury, please see the guidelines at: <http://disabilityservices.colorado.edu>

Disability Services' letters for students with disabilities indicate legally mandated reasonable accommodations.

Religious Observances:

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please let me know in a timely manner if one of the exam dates falls on a religious holiday you intend to observe and I will arrange for you to take a make-up. See policy details at: http://www.colorado.edu/policies/fac_relig.html

Classroom Behavior:

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are required. •

2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at:

<http://www.colorado.edu/policies/honor.html> and at

<http://honorcode.colorado.edu>

Discrimination and Harassment Policy:

The University of Colorado at Boulder is committed to maintaining a positive learning, working, and living environment. The University of Colorado does not discriminate on the basis of race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status in admission and access to, and treatment and employment in, its educational programs and activities. (Regent Law, Article 10, amended 11/08/2001). CU-Boulder will not tolerate acts of discrimination or harassment based upon Protected Classes or related retaliation against or by any

COURSE OUTLINE

<i>Date</i>	<i>Topic</i>	<i>Chapter</i>
22, 24, 26 Aug	INTRODUCTION Eleven Big Ideas Scarcity. Trade-off. Opportunity cost. Economics as a social science. Positive and normative. Circular flow model. Production possibility model.	1, 2
29, 31 Aug	GAINS FROM TRADE Comparative advantage. Specialization. Mutual gains from trade.	3
2, 7, 9 Sept	DETERMINATION OF THE MARKET PRICE Competitive markets. Individual and market demand curves. Individual and market supply curves. Equilibrium: Law of Supply and Demand.	4 (pp. 65-78)
12 Sept	CHANGES IN MARKET CONDITIONS Shifts in the demand curve: substitutes and complements. Shifts in the supply curve—GVÄæBÖ&¶WB7WÇurves.	4 (pp. 79-85)

28 Sept	HOUSEHOLD DECISION-MAKING AND SOCIETAL GAINS Society's Marginal Benefit Society's Net Benefit (society's consumer surplus)	
30 Sept; 3,5 Oct	FIRM DECISION-MAKING AND SOCIETAL GAINS Marginal changes Marginal cost Production decision rule: "marginal cost = price" rule Operating profit (producer surplus), marginal operating profit.	7 (pp. 141-144)
7, 10 Oct	EVALS "VÖ6ö6-fWG •"	

26 Oct	FIRM DECISION-MAKING: PROFIT MAXIMIZATION Profit maximization Marginal revenue. Entry Competitive <i>firm</i> 's demand curve is horizontal Short-run and long-run	14 (pp. 279-282)
28,31 Oct; 2,4 Nov	FIRM DECISION-MAKING: COMPETITIVE FIRM Presence rule of existing firm: "produce if price \geq min average variable cost" rule. Presence rule of new firm: "enter if price \geq min average total cost" rule Level rule: "produce till marginal cost = price" Firm supply curve in short-run and long-run.	14 (pp. 282-289)
7, 9 Nov	MARKET ADJUSTMENT Short-run market supply curve is upward sloping. Long-run market supply curve is horizontal. In long-run: price = min average cost. Market dynamics in the short-run and in the long-run.	14 (pp. 289-293)
11,14,16,18 Nov	MARKET FAILURE: MONOPOLY Monopoly demand curve is downward sloping. Monopoly: marginal revenue < price. Monopoly output choice: "marginal revenue = marginal cost" rule. Natural process of innovation, profits and entry. Inefficiency: deadweight loss. Public policy discussion.	15 (pp. 299-313, 319-323)
28,30 Nov;2,5 Dec	MARKET FAILURE: EXTERNALITIES Divergence of group and individual incentives. Public policy discussion	10
7 Dec	INPUT MARKET: LABOR Labor Demand: "wage=value of marginal product of labor" rule Labor Supply Market equilibrium	18 (pp. 373-386, 389-390)
9 Dec	In-class review	
13 Dec	1:30-4:00pm FINAL EXAM	