

THE UNIVERSITY OF WISCONSIN-PARKSIDE
Department of Economics

Economics 120

Principles of Microeconomics

Spring 2008

Instructor: **Stefan Ruediger**

Course time: Tuesday and Thursday 2:00pm-3:15pm Molinaro 222

Office: Molinaro 274 **Office hours:** Tuesday and Thursday 8:30am-9:30am or by appointment

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Final Exam: 3:30pm-5:30 pm Tuesday, May 13, 2008

Introduction

Microeconomics is the study of how consumers and firms interact and make decisions. The central theme of this course is to understand how and why the market system works, and the potential impact of government policies. The focus will be on basic concepts that economists use to analyze economic problems and on applying these concepts to a wide variety of issues.

Some of the topics include international trade, rent control, minimum wages, industrial policy and pollution. We will also study a variety of market structures, from perfect competition to monopoly, as we develop a theory of the firm.

Course requirements

The required text book is **“Principles of Microeconomics”** by **N. Gregory Mankiw, 4th edition**. It is available at the UWP-bookstore. A tentative reading schedule is on the next page.

The material builds upon itself, so keeping up to date with the readings and lectures is very important. Typically, lectures will extend the results from the previous class. If there are concepts that you find confusing, please ask for help as soon as you can!

You will need to have access to the Internet for course work, since I will post important information, assignments and problem sets online using D2L. If you do not know how to use D2L please let me know as early as possible.

Grades

There will be **two mid-term exams**, each worth 25 percent of your final grade, and **one final exam**, worth 30 percent of your final grade. Homework assignments will be worth 20 percent total. Make sure that you attend all exams, since **NO make-up exams** will be given out.

Course Outline (tentative)

(course outline depends on the progress of the class)

Date	Chapter(s)	Topics
Jan 22 nd	1	10 Principles,
Jan 24 th	2	Thinking like an Economist
Jan 29 th	3	Interdependence and Gains from Trade
Jan 31 st	3	Interdependence and Gains from Trade
Feb 5 th	4	Supply and Demand
Feb 7 th	4	Supply and Demand
Feb 12 th	5	Elasticities
Feb 14 th	5	Elasticities
Feb 19 th	REVIEW	
Feb 21 st	EXAM 1	
Feb 26 th	7	Consumers, Producers, and the Efficiency of Markets
Feb 28 th	7,	Consumers, Producers, and the Efficiency of Markets
Mar 4 th	8	Application: The Cost of Taxation
Mar 6 th	9	Application: International Trade
Mar 11 th	10	Externalities
Mar 13 th	10	Externalities
Mar 18 th	Spring Break	
Mar 20 th	Spring Break	
Mar 25 th	11	Public Goods and Common Resources
Mar 27 th	11	Public Goods and Common Resources
Apr 1 st	REVIEW	
Apr 3 rd	EXAM 2	
Apr 8 th	13	The Cost of Production
Apr 10 th	13	The Cost of Production
Apr 15 th	14	Firms in Competitive Markets
Apr 17 th	14	Firms in Competitive Markets
Apr 22 nd	15	Monopoly
Apr 24 th	15	Monopoly
Apr 29 th	16	Oligopoly
May 1 st	16	Oligopoly
May 6 th	17	Monopolistic Competition
May 8 th	Review	
May 13 th	Final EXAM	

General Education Goals

The UW-Parkside General Education Committee has proposed the following goals statement:

The purpose of a general education in the liberal arts at the University of Wisconsin-Parkside is twofold. First, students will have acquired a knowledge and skill set that is used across all academic disciplines. Second, it will make students aware that knowledge is diverse, and it will make them conversant with the principles and methodologies of disciplines across the spectrum of knowledge.

(ginger.cs.uwp.edu/staff/haller/GenEd/#mission)

Because Econ *120: Principles of Microeconomics seeks to develop competency in the areas of communication, reasoned judgment, and social and personal responsibility (in an economics context), it is included among the UW-Parkside General Education Requirement courses. Econ *120 also satisfies Breadth of Knowledge (BOK) requirements in the Behavioral and Social Sciences area. The Econ *120 general education goals (or competencies), measurable outcomes, and scoring rubric are described below. Students in Econ 120 are expected not only to learn how to “think economics,” but also they are expected to demonstrate competency in these general education areas.

Communication Goal

Literacy – reading for understanding and writing for effective communication. Specifically, student achieves **economic literacy**, the ability to communicate effectively basic economic terms and concepts through reading and writing.

Measurable outcome: Student correctly defines, explains and uses basic economic terms and concepts when answering questions, working with economic models and graphs and completing homework assignments, quizzes and exams, and discussing issues.

Reasoned Judgment Goal

Critical thinking – applying logic and reasoning to problem solving. Student understands and explains economic principles and models (expressed in terms of graphs, mathematical equations and logical propositions) and applies those principles and models to analyze, solve and discuss economic problems and issues.

Measurable outcome: Student correctly applies economic principles and models to analyze and solve economic problems on homework assignments, quizzes and exams.

Social and Personal Responsibility Goal

Individual accountability – understanding what a responsible choice is and that one’s present education and life-long learning is a personal responsibility: Student identifies and recognizes responsible economic choices (present and future), their consequences (present and future) and their desirability from an individual or social perspective.

Measurable outcome: Student identifies responsible choices (from both his/her own individual perspective and a societal perspective) and evaluates the desirability of economic decisions or policies.

Assessment of Goals

The above goals can be assessed on homework assignments and exam questions and problems.

Econ *120 General Education Goals Scoring Rubric			
	Economic Literacy	Critical Thinking	Accountability
4 – Exemplary	Student correctly defines, explains and uses all basic and advanced economic terms and concepts. Student identifies and explains all components of economic models and their graphical representations.	Student demonstrates an extensive understanding of all economic principles and models (expressed in terms of graphs, mathematical equations and logical propositions) and correctly applies those principles and models to analyze and solve basic and advanced economic problems.	Student identifies responsible choices from both his/her own individual perspective and a societal perspective and evaluates the desirability of economic decisions or policies and their present and future consequences using marginal analysis and various welfare criteria (i.e., determines the “best choice” given notions of economic efficiency and equity).
3 – Proficient	Student correctly defines, explains and uses all basic and many advanced economic terms and concepts. Student identifies and explains most components of economic models and their graphical representations.	Student demonstrates an extensive understanding of most economic principles and models and correctly applies those principles and models to analyze and solve basic and many advanced economic problems.	Student identifies responsible choices from both his/her own individual perspective and a societal perspective and evaluates the desirability of economic decisions or policies and some of their present and future consequences using marginal analysis and various welfare criteria.
2 – Satisfactory	Student correctly defines, explains and uses basic economic terms and concepts. Student identifies and explains basic components of economic models and their graphical representations.	Student demonstrates an adequate understanding of many economic principles and models and correctly applies those principles and models to analyze and solve many basic economic problems.	Student identifies responsible choices from either his/her own individual perspective or a societal perspective and evaluates the general desirability of economic decisions or policies and a few of the basic present and future consequences using marginal analysis and various welfare criteria.
1 – Unsatisfactory	Student correctly defines, explains and uses only some of the basic economic terms and concepts. Student identifies and explains only some of the basic components of economic models and their graphical representations.	Student demonstrates an inadequate understanding of economic principles and models and correctly applies those principles and models to analyze and solve only a few basic economic problems.	Student cannot identify responsible choices from either his/her own individual perspective or a societal perspective and cannot evaluate the desirability of economic decisions or policies using marginal analysis and various welfare criteria.