ECONOMICS 2010-060
Principles of Microeconomics
Fall 2002

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Office Hours: MWF 2:15-2:45, MW 4-6, (F. 4-5 by appt. only)

Course Description:
Principles of Microeconomics (ECON 2010) is a companion course with Principles of
Macroeconomics. Together the courses introduce you to the "economic way of thinking". The
central fact that underlies economics is the fact of "scarcity". By this it is meant that our wants
exceed the goods freely available from nature -- hence choices must be made among the many things
we want. This leads to the fundamental economic questions, narrowly defined, which face all
societies: What to produce? How to produce? And for whom to produce? But economics really is
much broader in scope than this; it is really the study of wise decision-making in all areas of life.

The topics covered in this course can be divided into four main categories: Supply and Demand,
Consumer Choice, Firm Production, and Applications. After a brief introduction to the economic way
of thinking, we will study supply and demand. Supply and demand analysis provides us with a
graphical way of understanding how the price and quantity of a good will change when factors such as
income, population, and input costs change. By studying elasticity, we will develop an understanding
of what determines how much price and quantity change.

After finishing supply and demand we will discuss the derivation of supply and demand. Specifically,
we will examine how a demand curve is derived from consumer decisions about how to allocate their
budget between various goods. We will also examine the underlying issues behind supply by
explaining how a firm decides how much to produce. We will develop this in the context of several
different market settings.

In the third part of the semester, we will focus on causes of market failure. In addition to the case of
imperfect competition (which will be discussed in the preceding section), we will examine public
goods, externalities, and international trade.

A more detailed outline of covered material and chapters will be handed out or posted separately.

Readings: Mankiw, N. Gregory; Principles of Microeconomics 2nd ed.

Assignments:
You will be given problem sets that will be instrumental in your preparation for exams. I will cover
all necessary material to complete these problem sets and prepare for exams in class. I will post
some summary notes on the course website, but these notes and the book are meant to
complement what you learn in class – they are not substitutes for lecture materials!
I will occasionally take attendance for extra credit.
Exams:
There will be three exams and one comprehensive final exam. Your lowest exam score will be dropped. Exams other than the final are not cumulative, but the material does build on itself so it is important to understand all of the concepts as we go. Tests will consist of multiple-choice questions and some longer problems. No makeup exams will be given. **If you miss an exam, you will receive a zero unless you are ill and can provide proof (e.g. a letter from the student health center).** In the event that you miss an exam due to illness, the weight of your final exam will be increased. You may take exams early if you have a good reason and arrange it with me well in advance.

Grading:
- Exam total: 80%
- Problem sets: 10%
- Recitation: 10%

Grading Scale:

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<th>Your score</th>
<th>Grade</th>
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<tr>
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Additional Note: You cannot get credit for both Economics 1000 and Economics 2010/2020.

**Tentative Exam Schedule:**
- Exam One: Friday, September 27th.
- Exam Two: Friday, November 1st.
- Exam Three: Friday, December 6th.
- Final Exam: Sec.060: Monday, December 16th 10:30am.
  - Sec.070: Saturday, December 14th 10:30am.

**Additional Notes:**
If you qualify for accommodations because of a disability, please submit a letter from the Disability Services (DS) early in the semester so that your needs may be addressed. DS determines accommodations based on documented disabilities (303-492-8671, Willard 322, www.colorado.edu/sacs/disabilityservices).

Accommodations can be made if there are any conflicts with religious holidays, but you must notify me in advance.