

PRINCIPLES OF MICROECONOMICS (ECON 2010-100)  
Department of Economics, University of Colorado  
Spring, 2009

Classtime:	M,W,F: 1:00-1:50 pm	Room: CHEM 140
Professor:	Charles de Bartolome	Recitation instructor:
Office hours:	M 3:45-4:45 pm; Tu 9:15-10:15am; Thurs 1:15 - 2:15 pm.	Recitation place: Recitation time:
Office:	Econ 203.	Office hours:
e-mail:	debartol@colorado.edu	Office:

*Textbook:* Mankiw, N. Gregory, (2009), *Principles of Microeconomics* (5th Edition).  
Southwestern/CENGAGE Learning.

*Support Material:*

Each student must enroll in Aplia. In addition to providing additional learning materials, there will be weekly quizzes on Aplia which will be graded.

The textbook plus support material may be purchased directly from Aplia (\$120 - see attachment) or from the bookstore (\$193).

*“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 should be registered at: [cuconnect.colorado.edu](http://cuconnect.colorado.edu)

*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 hard to work. The firm must decide how much to produce and with what technology. The course explores how "the magic of the market" coordinates these decisions. In addition, the course considers such questions as: What is competition? Why is competition socially desirable? Is competition likely? How do firms behave in the absence of competition?

*Course Level:* The course is an introductory course. No previous knowledge of economics is assumed. The student is, however, assumed to be able to solve simultaneous equations both graphically and algebraically.

*Course assignments and CULearn:*

All course assignments and some lecture notes are posted on the course page located at: <http://culearn.colorado.edu> .

In the past, some students have had difficulty in downloading some of the pdf files posted on CULearn . ITS advises that this may be due to the large file sizes. ITS recommends that you open the Adobe Acrobat Reader. Then click as: Edit > Preferences> Internet and *uncheck* “Allow Fast Web View”.

Please note that six pages of each Adobe Acrobat file can be printed on a single sheet by clicking as: Print >Properties > layout > Pages per sheet.

*Attendance at class:*

Woody Allen once remarked: "90% of life is just turning up". The best way to learn the material is to attend class. Reading the lecture notes posted on the web is not a good substitute for attendance. Attendance at class is therefore required.

*Recitations:* Recitations start w/c 19 Jan. Attendance at recitation is required.

Recitations will go over the weekly problem set which is posted on CULearn. Before the recitation, you must attempt to work through the weekly problem set which is posted on CU Learn. The recitation will then review the problem set.

The weekly problem set is designed to present problems at a deeper level than the Aplia quizzes. The format of the exams will be closer to the format of the weekly problem set than to the Aplia quizzes.

*Grading:* There are two midterm exams, a final exam, in-class clicker questions, a weekly graded quiz on Aplia (1<sup>st</sup> exam due by 10 am on Monday 26 Jan), recitations, an experiment and a data collection exercise. The grade of the student will be determined as:

25%	First Midterm,
25%	Second Midterm,
25%	Final,
8%	In-class clicker questions
8%	Aplia quizzes
8%	Recitations
1%	Experiment

When asking an in-class clicker question, I will announce the points associated with the correct answer to the question. Absences or incorrect answers will receive zero points. In calculating your total score for all in-class clicker questions, I will sum your scores for all days, omitting your three lowest daily scores.

At the recitation, you are required to hand in your answers to the problem-set; if your answer shows evidence of effort (it need not be correct), you will receive a score of 1 for that week. If you are not present at the recitation, or if you do not hand in an answer or if your answer shows no evidence of effort, you will receive a score of zero for that week. In calculating your total score for recitations, I will omit your two lowest weekly scores.

The data collection exercise is Pass/Fail. If an attempt at the data collection exercise is not handed in by the date due, your course score will be lowered 1% . If the exercise is not passed by the day of the exam, *you will be graded Fail*. If you subsequently pass the exercise within 6 months after the final, your grade will be changed to the grade earned in the midterms, the final, the in-class clicker questions, the Aplia quizzes, the recitations, the experiment, and the penalty (if applicable). If you do not pass the exercise within 6 months after the final, your grade will remain permanently as Fail.

*Classroom courtesy:*

Please turn your cell 'phone off prior to the start of class.

I believe that learning is enhanced if there is full concentration by both the 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, 16 Feb in CHEM 140	7:00 - 9:00 p.m.
----------------	-------------------------------	------------------

SECOND MIDTERM:	Monday, 16 Mar in CHEM 140	7:00 - 9:00 p.m.
-----------------	-------------------------------	------------------

The final exam will be held as:

FINAL:	Sat, 2 May in CHEM 140	1:30 - 4:00 p.m.
--------	---------------------------	------------------

You must bring a blue-book 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.

*Students with Special Needs:*

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services (DS) in a timely manner so that your needs may be addressed. DS determines accommodations based on documented disabilities.

Contact: 303-492-8671, Willard 322 and [www.Colorado.EDU/disabilityservices](http://www.Colorado.EDU/disabilityservices) .

*Harassment Policy:*

The University of Colorado at Boulder policy on Discrimination and Harassment (<http://www.colorado.edu/policies/discrimination.html>), the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships) applies to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based on race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at (303) 492-2127 or the Office of Judicial Affairs at (303) 492-5550.

Information about the OSH and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at:

<http://www.colorado.edu/odh>

*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](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 behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences in race, culture, religion, politics, sexual orientation, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at

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

[http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)

*Academic Integrity:*

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ( [honor@colorado.edu](mailto:honor@colorado.edu) ; 303-725-2273). 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://www.colorado.edu/academics/honorcode/>

*Course outline:*

A list of topics to be covered and likely dates is shown on the next pages:

<i>Date</i>	<i>Topic</i>	<i>Chapter</i>
12, 14 Jan	INTRODUCTION Eleven Big Ideas Scarcity. Trade-off. Opportunity cost. Economics as a social science.	1
16 Jan	THINKING LIKE AN ECONOMIST Positive and normative. Circular flow model. Production possibility model.	2
21, 23 Jan	GAINS FROM TRADE Comparative advantage. Specialization. Mutual gains from trade.	3
26, 28, 30 Jan	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. 63-77)
2 Feb	CHANGES IN MARKET CONDITIONS Shifts in the demand curve: substitutes and complements. Shifts in the supply curve.	4 (pp. 77-84)
4, 6 Feb  123)	INTERFERING WITH THE MARKET MECHANISM Coordinating role of prices.  <u>I</u> nelastic = steep, <u>E</u> lastic = flat. Price-ceiling and price-floors.	6 (pp. 113-

9, 11, 13 Feb	HOUSEHOLD DECISION-MAKING: BENEFIT MAXIMIZATION Benefit = willingness to pay. Consumer surplus Scarcity: budget line. Decision-making: marginal changes. Marginal benefit.	7 (pp. 137-142) and pp. 453-455
16 Feb	FIRST MIDTERM (7:00 - 9:00pm in CHEM 140 )	
18, 20, 23 Feb	HOUSEHOLD DECISION-MAKING AND SOCIETAL GAINS Purchase decision rule: “marginal benefit = price” rule Consumer demand curve = marginal benefit curve.	
25 Feb	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. 143-147)
27 Feb, 2 Mar	EVALUATING THE MARKET OUTCOME Market efficiency: First Fundamental Welfare Theory. Limitations: equity, market power, externalities.	7 (pp. 147-155)
4, 6 Mar	APPLICATION OF MARKET EFFICIENCY International trade.	9 (pp.175-182, 187-195)
9, 11, 13 Mar	FIRMS: COSTS OF PRODUCTION Distinguishing accounting and economic costs. Production function, diminishing marginal product. Total cost	13 (pp. 267-275)
16 Mar	SECOND MIDTERM (7:00 - 9:00 pm in CHEM 140)	
18, 20 Mar	FIRMS: COSTS OF PRODUCTION (cont) Marginal Cost, increasing marginal cost. Fixed and Variable Costs. Average and Marginal Costs.	9 (276-285)
30 Mar, 1 Apr	Relationship between Average and Marginal Costs	
3 Apr	FIRM DECISION-MAKING: PROFIT MAXIMIZATION Profit maximization Marginal revenue.	14 (pp. 289-292)

	Entry Competitive firm's demand curve is horizontal Short-run and long-run	
6, 8, 10 Apr	<p>FIRM DECISION-MAKING: COMPETITIVE FIRM</p> <p>Presence rule of existing firm:  "produce if price <math>\geq</math> min average variable cost" rule.</p> <p>Presence rule of new firm:  "enter if price <math>\geq</math> min average total cost" rule</p> <p>Level rule: "produce till marginal cost = price"</p> <p>Firm supply curve in short-run and long-run.</p>	14 (pp. 292-300)
13, 15 Apr	<p>MARKET ADJUSTMENT</p> <p>Short-run market supply curve is upward sloping.</p> <p>Long-run market supply curve is horizontal.</p> <p>In long-run: price = min average cost.</p> <p>Market dynamics in the short-run and in the long-run.</p>	14 (pp. 301-304)
17, 20, 22	<p>MONOPOLY</p> <p>Monopoly demand curve is downward sloping.</p> <p>Monopoly: marginal revenue &lt; price.</p> <p>Monopoly output choice:  "marginal revenue = marginal cost" rule.</p> <p>Natural process of innovation, profits and entry.</p> <p>Inefficiency: deadweight loss.</p> <p>Public policy discussion.</p>	15 (pp. 313-333)
24, 27, 29 Apr	<p>MARKET FAILURE: EXTERNALITIES</p> <p>Divergence of group and individual incentives.</p> <p>Public policy discussion</p>	10
1 May	MARKET FAILURE: PUBLIC GOODS	11
2 May	FINAL EXAM (1:30 - 4:00 pm in CHEM 140)	





## Student Registration and Payment Instructions

---

**Course Name:** deBartolome, Microeconomics (Mankiw), Spring 2009

**Start Date:** 01/12/2009

**Instructor:** Charles de Bartolome

**Course Key:** 2ARK-TVV9-RVMB

**You can begin working on your homework as soon as you register!**

- In this course, you will use a textbook and Aplia's website.
  - In most cases, you can save money if you buy Aplia and your textbook together. See payment options below.
  - You will have access to a digital version of your textbook using Aplia.
- 

### Registration

**If you have never used Aplia before...**

1. Connect to <http://www.aplia.com>.
2. Click the New Student link and enter your Course Key: **2ARK-TVV9-RVMB**. Continue following the instructions to complete your registration.

**If you have used Aplia before...**

1. Connect to <http://www.aplia.com>.
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: **2ARK-TVV9-RVMB**. If you are not prompted for a new Course Key, click the Enter Course Key button to enroll in a new Aplia course. Enter your Course Key when you are prompted.

*\* You will have different payment options after you register for your course. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 02/01/2009.*

### Payment

**Physical Textbook with Aplia Access**

- **From Aplia:** Purchase access to your course and a physical book for \$127.50 USD (includes S&H) from Aplia's website. You will need to do this in two separate transactions. At the Home Page of your course, you will see a Bookstore field on the right-hand side of the screen after paying your course fee.
- **From Bookstore:** Purchase an Aplia Access Card and a physical book together as a bundle from your campus bookstore.

*\* If you purchased an Aplia Access Card from a bookstore, enter the Access Card's payment code on Aplia's website as payment for your Aplia course.*

*\* Your professor requires that you purchase a physical textbook for this course.*