

# Principles of Microeconomics

EC 110  
Fall 2004

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Textbook: *Principles of Microeconomics* (3<sup>rd</sup> edn.) N. Gregory Mankiw

Course Website: <http://www.cba.ua.edu/~helder/ec110index.htm>

## Course Objectives

1. To learn the application of economic reasoning to solve problems and to aid in making decisions. This means that the course will emphasize critical thinking. Do not assume that being able to memorize material will mean that you will succeed in this class. Economics is a subject in which common sense is applied in a systematic way.
2. To learn about the foundations of consumer and producer behavior.

## How are Grades Determined?

| Course Evaluation  |                           | Grade Distribution             |              |
|--------------------|---------------------------|--------------------------------|--------------|
| Type of Evaluation | Percentage of Final Grade | Guaranteed Grade Average Range | Course Grade |
| Lab Quizzes        | 5%                        | 90% and Up                     | A            |
| Quizzes            | 20%                       | 80 to 89%                      | B            |
| Exam 1             | 20%                       | 70 to 79%                      | C            |
| Exam 2             | 25%                       | 60 to 69%                      | D            |
| Final Exam         | 25%                       | 59% and Down                   | F            |
| Web Assignments*   | 5%                        |                                |              |

1. **GRADES.** There is no set distribution of grades for this course. **It is my intention that you receive the highest grade that you can earn.** The table details a guaranteed range, but can be flexible downward. However, in no case will the lower bound on D grades fall below 50%. I will follow the +/- grade policy in assigning final course grades.
2. **QUIZZES.** There will be 4 quizzes in total for this course. **Two** will be given during *labs* and **two** will be given *in class*. **No make-up quizzes (lab or in-class) will be given, regardless of the reason.** If you attend 7 or more regular lab sessions (i.e., non-quiz), you may drop your lowest lab quiz score. If you attend all 10 regular lab sessions, I will drop the lowest quiz (lab or in-class). Otherwise, missing a quiz will result in a grade of zero. There are no exceptions.
3. **EXAMS.** A comprehensive make-up for any student will be given on the evening of **November 12**. No excuse is necessary to take this make-up exam. Obviously, if you have missed one of the regular exams, you will need to take the makeup. Any student may take this exam, even if he or she has taken both exams. ***The make up will not be counted as a substitute for one exam.*** Instead, you will be given a score equal to the higher of the combined score on the regular exams or the make-up exam. A make-up for excused absences for the Final Exam will be administered as prescribed by the University of Alabama Academic Calendar. Students participating in university-sponsored activities may be allowed to take quizzes or exams early but it is the student's responsibility to make these arrangements.
4. **WEB ASSIGNMENTS.\*** This is a set of exercises are **optional** assignments which can add up to 5% of your course grade. This semester you will have the opportunity to enhance your learning experience with a web-based set of assignments that will afford you the opportunity to do graded exercises on your own. Completion of these exercises will be recorded by the website and reported to me. **There is an extra cost to you to utilize the web based materials.** These assignments will be discussed more fully in class. [If you do not participate in this, the weights on all evaluations will be scaled up to 100%.]

## Lab Sections

Regular lab sessions are totally voluntary, but attending the labs can improve your understanding of the materials that will be covered. They can also improve your grade in lieu of extra credit, as noted above. Signup for lab sections will begin in the first class and assigned on **Tuesday, August 31**. Labs will begin on **Tuesday August 31 and Wednesday, September 1**.

**Quizzes scheduled during the lab section are not voluntary.**

## Exam Dates

**EXAM 1 AND EXAM 2: Wednesday Evenings, 6:30 to 8:00 PM. Exam 1 is scheduled for October 6 and Exam 2 is November 3. Exams will be given in Alston 10 and/30.** Dates may be subject to change.

**THE FINAL EXAM will NOT BE given as a departmental exam, rather will follow the normal final exam schedule. There will be no early administration of the final exam and there are no exceptions. Do not make travel plans without checking the exam date. Any and all changes will be posted on the [Course Calendar](#) on the Course Website.**

## Accommodations for Students with Special Needs

Every effort will be made to accommodate the requirements for students who have demonstrated special needs. If you believe that you have such needs, you will need to register with the university's Office of Disability Services (ODS). This office will work with you to determine what your requirements may be and provide information to give to me that will inform me of what these requirements are. Accommodations cannot be made without certification from ODS.

### Classroom Etiquette

*All of us—both you as a student and I as the instructor—are responsible for providing a classroom environment conducive to learning.*

Behavioral problems will **not** be tolerated! Anyone who disrupts the class by arriving late, talking out of turn, leaving before the class ends, etc., will be asked to withdraw from the class. If you arrive late, take the first available seat in the back; do not attempt to move to your assigned seat.

A seating chart will be used. This is necessary to return materials, such as exams or quizzes, to you quickly and with minimal disruption. The seating chart will be established on **Tuesday, August 31**.

**Ask questions!** The chances are that if you do not understand something, someone else will also not understand. Participation is part of your role in the class, and I will use it as one element in the +/- calculation.

**You must have your Student ID for every quiz and exam.** You will have to retrieve it if you forget it and any time lost in this retrieval will not be made up.

**If you have questions, please come to office hours.**

This time is for adding to your understanding of the material. If you miss a class, do not expect me to go over all of the topics that were covered.

**Attendance is encouraged, but not required.** Those who fail to come to class will, however, perform worse than those who do. Attendance is the single most important factor in determining your grade.

You do not have to inform me about an absence **unless it is about an official university-sponsored activity *in advance*.**

If you fail to receive a handout, because you have missed class, it is your responsibility to obtain a copy. I will not save copies for you.

If you are absent on the day that a quiz or exam is returned, you may pick it up in a designated location. Check the **Course Materials** page on the website for this location.

Old exams or quizzes will not be brought back to class after the day that they are returned. A room in Alston Hall will be designated for you to pick up your old exams, quizzes as well as earlier handouts.

**Do not read the newspaper!** You can read your newspaper after class, or stay home to read it.

Eating or drinking is not allowed in the classroom.

### Keys to Success

**This class is about critical thinking.** Those who expect to memorize material will not do well. Microeconomics is a full-contact experience. The best way to learn micro is to do it. This means that you have to become familiar with the vocabulary and work problems.

Treat economics like a combination of a foreign language and a mathematics class. How do you learn a foreign language? You learn the vocabulary, you learn how to write and speak sentences, and you have conversations. Do this for this class. How do you learn mathematics? You work problems—and more problems. Do this for this class.

Here are some suggestions:

- Use your textbook (and your study guide if you have it). The materials in this will be like what you see on exams and quizzes. Pay attention to the method by which answers are determined.
- Review all handouts.
- **Go to your lab sessions.** There will be questions covered in the labs that are written just like those that will be on exams.
- **Do not fall behind.** The first lab quiz is *September 14 or 15*. If you are having problems talk to your TA or to me.

**Math 100 is a prerequisite. You need to drop the class if you have not taken this course or have placed beyond this class (Math 112 or above is sufficient to meet all course prerequisites).**

A topic that is not covered in class will not be on an exam or quiz. This means that attending class is an important factor in improving your grade.

**You will need to be able to work a market equilibrium question to be able to pass this class. A supply and demand question will be on every exam—guaranteed.**

**This class is about critical thinking.** Those who expect to memorize material will not do well.

**Do not expect any of these suggestions to work unless you do.** A rule of thumb is that your hours out of class should be 3 times the amount of in-class time. Therefore, you should expect to spend 9 hours per week working out of class. **Make this commitment.**

**Cheating will not be tolerated.**

**The University of Alabama Academic Honor Code will be enforced.**

## Tentative Class Outline

### CLASS SESSIONS

| Class No. | Month           | Date      | Day              | Topic   | Chapter            |
|-----------|-----------------|-----------|------------------|---|--------------------|
| 1         | August          | 26        | Thursday         | Introduction; Basic Methods; Principles: Scarcity and Choice<br><b>SIGN UP for LABS</b> | 1 and 2            |
| 2         | August          | 31        | Tuesday          | Opportunity Cost; Graphing review; The Aggregate Economy<br><b>Seating Chart</b>        | 1,2 (Apdx)         |
| 3         | September       | 2         | Thursday         | Production Possibilities; Comparative Advantage   | 3                  |
| 4         | September       | 7         | Tuesday          | Comparative Advantage   | 3                  |
| 5         | September       | 9         | Thursday         | Trade and Specialization  | 3                  |
| 6         | September       | 14        | Tuesday          | Markets: Demand and Supply Basics   | 4                  |
| 7         | September       | 16        | Thursday         | Demand and Supply   | 4; Handout 1       |
| 8         | September       | 21        | Tuesday          | Demand and Supply: Basics of Elasticity   | 5                  |
| 9         | September       | 23        | Thursday         | <b>QUIZ 1</b>   |                    |
| 10        | September       | 28        | Tuesday          | Elasticity: Uses and Measures   | 5                  |
| 11        | September       | 30        | Thursday         | Markets and Efficiency  | 7                  |
| 12        | October         | 5         | Tuesday          | Demand and Supply Applications: Price Controls  | 6                  |
|           | <b>October</b>  | <b>6</b>  | <b>Wednesday</b> | <b>EXAM 1 6:30 PM, AB 10 OR 30</b>  | <b>1-7</b>         |
| 13        | October         | 7         | Thursday         | <b>NO CLASS</b>   |                    |
| 14        | October         | 12        | Tuesday          | Demand and Supply Applications: Taxation  | 6, 8               |
| 15        | October         | 14        | Thursday         | Basics of Consumer Choice   | 21 (pp. 453-55)    |
| 16        | October         | 19        | Tuesday          | Consumer Choice: Utility Maximization   | Handout 2          |
| 17        | October         | 21        | Thursday         | Consumer Choice: Utility Maximization; The Value of Time                                | Handout 3          |
| 18        | October         | 26        | Tuesday          | Consumer Choice: The Value of Time  | Handout 3 [27]     |
| 19        | October         | 28        | Thursday         | Profits and Cost  | 13                 |
| 20        | November        | 2         | Tuesday          | Production and Cost   | 13                 |
|           | <b>November</b> | <b>3</b>  | <b>Wednesday</b> | <b>EXAM 2 6:30 PM, AB 10 OR 30</b>  | <b>8, 21, 13</b>   |
| 21        | November        | 4         | Thursday         | <b>NO CLASS</b>   |                    |
| 22        | November        | 9         | Tuesday          | Cost and Time: Short Run  | 13                 |
| 23        | November        | 11        | Thursday         | Cost and Time: Long Run   | 13                 |
|           | <b>November</b> | <b>12</b> | <b>Friday</b>    | <b>Make Up Exam (6:30-7:50) AB 10 or 30</b>   | <b>1-8, 11, 12</b> |
| 24        | November        | 16        | Tuesday          | Market Structures: Perfect Competition  | 14                 |
| 25        | November        | 18        | Thursday         | Market Structures: Perfect Competition  | 14                 |
| 26        | November        | 23        | Tuesday          | <b>QUIZ 2</b>   |                    |
|           | November        | 25        | Thursday         | Thanksgiving Holiday— <i>No class</i>   |                    |
| 27        | November        | 30        | Tuesday          | Market Structures: Monopoly   | 15                 |
| 28        | December        | 2         | Thursday         | Market Structures: Monopoly   | 15                 |
| 29        | December        | 7         | Tuesday          | Market Structures: Monopolistic Competition; Oligopoly                                  | 17; Handout 4      |
| 30        | December        | 9         | Thursday         | Market Structures: Oligopoly and Game Theory  | 16                 |

### LAB SESSIONS

| Lab No. | Month     | Date  | Topic  | Chapter       |
|---------|-----------|-------|--|---------------|
| 1       | Aug/Sept  | 31/1  | Introduction; Basics; Review of Graphing; Opportunity Cost | 1, 2          |
| 2       | September | 7/8   | Comparative Advantage;                                     | 3             |
| 3       | September | 14/15 | Demand and Supply; <b>LAB QUIZ 1</b>                       | 4             |
| 4       | September | 21/22 | Elasticity   | 5             |
| 5       | September | 28/29 | Demand and Supply Applications                             | 6/8           |
| 6       | October   | 6     | <b>EXAM 1 (NO LABS)</b>                                    |               |
| 7       | October   | 12/13 | Consumer Choice  | 21, Handout 2 |
| 8       | October   | 19/20 | <b>LAB QUIZ 2</b>  |               |
| 9       | October   | 26/27 | Consumer Choice: The value of time                         | Handout 3     |
| 10      | November  | 3     | <b>EXAM 2 (NO LABS)</b>                                    |               |
| 11      | November  | 9/10  | Production and Cost  | 13            |
| 12      | November  | 16/17 | Perfect Competition  | 14            |
| 13      | November  | 24/25 | <b>NO LABS</b>   |               |
|         | Nov/Dec   | 30/1  | Monopoly   | 15            |
| 14      | December  | 34    | Oligopoly and Game Theory                                  | 16, Handout 4 |

**FINAL EXAM: NOT ADMINISTERED AS DEPARTMENTAL FINAL**

**SECTION 003: THURSDAY, DECEMBER 16, 3:30 AM TO 6:00 PM.**

**SECTION 004: THURSDAY, DECEMBER 13, 8:00 AM TO 10:30 AM.**

**THERE IS NO EARLY ADMINISTRATION OF THE FINAL EXAM!!!!**