MICROECONOMICS COURSE SYLLABUS
ECON 261.03 PRINCIPLES OF MICROECONOMICS
FALL 2010 1:00 P.M. ROOM 201

Competence
Character
Community

Instructor:	**Jozell Brister, Associate Professor**	**Office: BA 275**
Phone (Work):	**674-2596**	**Office Hours: MWF 3:00-3:30 pm**
(Home):	**673-5876**	**TTH 9:30-10:30 am**
		TTH 1:30- 3:00 pm

The mission of the College of Business Administration
is to glorify God by creating a distinctively Christian environment in which
excellent teaching, combined with scholarship,
promotes the intellectual, personal, and spiritual growth of business students,
and educates them for Christian service and leadership
throughout the world.
From the COBA Mission Statement

Course Description: ECON 261 Principles of Microeconomics (3-0-3), fall, spring. Economics of the firm and industry; supply and demand; revenue and costs; profits; consumer behavior; markets; the price system; the role of government; inequality; and comparative economic systems. Prerequisite: Sophomore standing.

Contribution of Course to Overall Business Perspective: Economics is a broad-ranging discipline. It encompasses major business principles and government policies. Indeed, many of the business world's most serious problems are economic in nature. Understanding the principles of microeconomics makes one a better businessman or woman. A more efficient and productive economy raises the nation's standard of living and promotes opportunities for growth for all individuals.

Contribution of Course to the Development of Communication Skills: Principles of Microeconomics involves many issues that lend themselves to class discussion. Essay questions are a part of every test except the final. Students learn to communicate through class discussion and through essay questions on exams.

Contribution of Course to Christian service and leadership: Economics involves choices and choices lead to tradeoffs—costs versus benefits. Choices and decisions in business and in economics, as well as in life, are not made in an ethical vacuum. The infusion of an ethical/philosophical system based on biblical principles enables the student to analyze different economic situations with a view toward serving God and his/her fellowman.
Philippians 4:11-13, Matthew 16:24, Ecclesiastes 2:24-25, and Luke 16:11

Goals for student competency:

1. Construct a theory of prices for a market economy.
2. Describe three theories for the negative slope of the demand curve.
3. Explain the principle of increasing and diminishing returns.
4. Graph the short-run cost curves for a typical production firm.
5. Illustrate the model of pure competition and give the conclusions to the model.
6. Describe the benefits of the free-market system and develop a case for laissez-faire.
7. Describe the theories of monopoly, oligopoly, and monopolistic competition and illustrate output and pricing levels with graphs.
8. Analyze the market distribution of income to each of the four factors of production.

Format: Lecture with class discussion.

Prerequisites: Sophomore standing

Grading System:

The final course grade will be based on scores from the three major exams plus a comprehensive final exam. Please note: No make-up exam will be given after the exam has been administered to the entire class. For students who miss an exam, the final exam grade will count for that test grade. Students who are excused from class on a test day may take the exam early.

Course Policies:

No cell phones and no laptop computers in class, please.

Unannounced Quizzes: Quizzes may add extra credit points to test grades as follows:
Two points may be added to the pertinent test grade for a score of 70 percent or higher on unannounced quizzes.

Homework:

Homework is graded for extra credit on the pertinent exam as follows:

Homework Grade:

A	**=**	**3 extra points on exam grade**
B	**=**	**2 extra points on exam grade**
C	**=**	**1 extra point on exam grade**
D	**=**	**0 points**
F	**=**	**0 points**

Attendance and Tardiness:

0-3 Absences—No penalty
4-5 Absences—3 points from final average
6-7 Absences—6 points from final average
8-9 Absences—8 points from final average
10+ Absences—10 points from final average

3 Times Tardy = 1 Absence

Grading Scale:

A	**=**	**90-100**
B	**=**	**80-89**
C	**=**	**70-79**
D	**=**	**60-69**
F	**=**	**0-59**

Text:

Baumol, William J. and Alan S. Blinder, Economics. 11th Edition. Fort Worth: South-Western Publishing Company, 2009. (Please note: This textbook also is used in the Macroeconomics course.)

Academic Dishonesty:

COBA Honor Code

Objective

COBA faculty, staff and students will strive to proclaim in their lives competence, character and community.

In joining COBA, students, faculty, and staff covenant to abide by the following ethical principles.

Competence

To lead and serve well requires competence. And to become competent requires diligence and hard work. We owe it to all who have prepared the way and who will follow in our footsteps, to be good stewards of opportunities and resources. Thus, in all you do: set priorities, seek excellence and professionalism in your work, satisfy requirements, and take responsibility for your learning and performance. You cannot build competence if you lie, cheat, steal, or tolerate those who do.

Character

A reputation of good character is built slowly through testing, yet can be destroyed in an instant by compromise or careless work, just as it can through injustice. Guard your character; it is worth more than a grade or promotion. “A good name is more desirable than great riches; to be esteemed is better than silver or gold” (Proverbs 22:1). You cannot build character if you lie, cheat, steal, or tolerate those who do.

Community

A spirit of fellowship and mutual encouragement holds each community member accountable. Accountability leads to a healthy community through adequate preparations for the tasks at hand, respectful truthfulness in all situations, and adding value to the tasks at hand. As a community, we must hold each other accountable to the principles of competence, character, and community. You cannot build community if you lie, cheat, steal, or tolerate those who do.

COBA supports ACU’s Academic Integrity Policy (www.acu.edu/campusoffices/studentlife/documents/Acad_Integ_Policy_Fa.pdf). This important policy offers examples of academic infractions and a process for assigning consequences and voicing appeals. Ignorance of this policy is never an excuse. Individual instructors will define course specific definitions, however, in general you should avoid:

1) **Plagiarism** - Copying or even paraphrasing words or ideas from another source (including current or past students) without giving adequate credit.
2) **Lying** - Inventing data or sources or making false attributions about the origin of material or offering a deceptive reason for an absence or delay in the completion of academic work.
3) **Cheating** - Facilitating or participating in any process that circumvents the intent of any exam, test, quiz, paper, or assignment.

Any dishonest act observed or reported will be investigated and if proven, be reported in administrative offices and records, and may be subject to any or all of the following outcomes based on severity:

1) A zero for the assigned work
2) A failing grade for the course
3) Dismissal from the university

Ratified by Faculty: 11/18/2004

PRINCIPLES OF ECONOMICS–MICRO
ECON 261.03
August 23, 2010–December 9, 2010

<u>Class Meeting</u>	<u>Assignment</u>
Monday, August 23	What is Economics? Read Chapter 1, pp. 3-13 in textbook. *Using Graphs: A Review* Read pp. 14-19 in textbook.
Wednesday, August 25	The Economy: Myth and Reality Read Chapter 2, pp. 21-36
Friday, August 27	The Fundamental Economic Problem: Scarcity and Choice Read Chapter 3, pp. 39-52 in textbook.
Monday, August 30	Supply and Demand: An Initial Look Read Chapter 4, pp. 55-66
Wednesday, September 1	Supply and Demand: An Initial Look Read Chapter 4, pp. 66-76
Friday, September 3	Demand and Elasticity Read Chapter 6, pp. 107-113
Monday, September 6	Demand and Elasticity Read Chapter 6, pp. 113-121
Wednesday, September 8	Consumer Choice: Individual and Market Demand Read Chapter 5 pp. 83-90
Friday, September 10	Consumer Choice: Individual and Market Demand: Read Chapter, 5 pp. 90-98
Monday, September 13	Distinguished Speaker: Blake Mycoskie, CEO, TOMS Shoes Meet in Hart Auditorium, Bible Building

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Class Meeting	Assignment
Wednesday, September 15	Indifference Analysis Read Appendix to Chapter 5, pp. 99-106
Friday, September 17	Review and Conclusions:
Monday, September 20	First Test: Chapters 1-6 (First Homework Due)
Wednesday, September 22	Production, Inputs, and Cost: Building Blocks for Supply Analysis Read Chapter 7, pp. 127-137
Friday, September 24	Production, Inputs, and Cost Read Chapter 7, pp. 137-148
Monday, September 27	Output, Price, and Profit: The Importance of Marginal Analysis Read Chapter 8, pp. 155-163
Wednesday, September 29	Output, Price, and Profit: Read Chapter 8, pp. 163-172
Friday, October 1	The Firm and the Industry Under Perfect Competition Read Chapter 10, pp. 197-204
Monday, October 4	Perfect Competition continued Read Chapter 10, pp. 204-214
Wednesday, October 6	The Case for Free Markets I: The Price System Read Chapter 14, pp. 287-307

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<u>Class Meeting</u>	<u>Assignment</u>
Friday, October 8	Review and Conclusions
Monday, October 11	Second Test: Chapters 7, 8, 10, and 14 (Second Homework Assignment Due)
Wednesday, October 13	Monopoly Read Chapter 11, pp. 217-223
Friday, October 15	Fall Break
Monday, October 18	Monopoly Read Chapter 11, pp. 223-232
Wednesday, October 20	Between Competition and Monopoly Read Chapter 12, pp. 235-246
Friday, October 22	Between Competition and Monopoly Read Chapter 12, pp. 246-259
Monday, October 25	Investing in Business: Stocks and Bonds Read Chapter 9, pp. 177-183
Wednesday, October 27	Investing in Business: Stocks and Bonds Read Chapter 9, pp. 183-193

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Class Meeting	Assignment
Friday, October 29	Limiting Market Power: Regulation and Antitrust Read Chapter 13, pp. 263-269
Monday, November 1	Limiting Market Power: Regulation and Antitrust Read Chapter 13, pp. 269-275
Wednesday, November 3	Antitrust Policy Continued Read Chapter 13, pp. 275-283
Friday, November 5	WSJ: Stock and Bond Quotations
Monday, November 8	Review and Conclusions
Wednesday, November 10	Third Test: Chapters 9, 11, 12, and 13 (Third Homework Assignment Due)
Friday, November 12	Labor and Entrepreneurship: The Human Inputs Read Chapter 20, pp. 419-427
Monday, November 15	Labor: The Human Inputs Read Chapter 20, pp. 427-442
Wednesday, November 17	Poverty, Inequality, and Discrimination Read Chapter 21, pp. 445-453
Friday, November 19	Poverty, Inequality, and Discrimination Read Chapter 21, pp. 453-460
Monday, November 22	Pricing the Factors of Production Read Chapter 19, pp. 397-404

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Class Meeting	Assignment
Wednesday, November 24	Thanksgiving Holiday
Friday, November 26	Thanksgiving Holiday
Monday, November 29	Pricing the Factors of Production Read Chapter 19, pp. 404-411
Wednesday, December 1	Pricing the Factors of Production Read Chapter 19, pp. 411-416
Friday, December 3	Review and Conclusions (Fourth Homework Assignment Due)
Monday, December 6	Dead Day–Classes will not meet
Thursday, December 9	Final Exam 8:00—9:45 a.m.

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HOMEWORK ASSIGNMENTS*

Homework Assignment #1 (Due Monday, September 20, 2010)

Chapter 4, p. 77-78	Test Yourself: #'s 3, 4, 5, and 8
Chapter 5, pp. 99	Test Yourself: #'s 1, 2, 3, and 4
Appendix–Indifference Curves p. 106	Test Yourself: #'s 1, 2, and 3
Chapter 6, p. 122	Test Yourself: #'s 4, 5, and 7

Homework Assignment #2 (Due Monday, October 11, 2010)

Chapter 7, pp. 148	Test Yourself: #'s 1, 5, and 6
Chapter 8, p. 172	Test Yourself: # 6
Chapter 10, pp. 214	Test Yourself: #'s 3, 4, and 5
Chapter 14, p. 307	Test Yourself: #'s 1, 2, and 3

Homework Assignment #3 (Due Wednesday, November 10, 2010)

Chapter 11, p. 232	Test Yourself: #'s 1 and 2
Chapter 12, p. 260	Discussion Questions: #'s 6, 7, and 8
Chapter 13, p. 284	Discussion Questions: #'s 8, 13, and 15

Homework Assignment #4 (Due Friday, December 3, 2010)

Chapter 19, p. 416	Test Yourself: #'s 1, 5, 6, and 7
Chapter 20, p. 442	Test Yourself: # 1
	Discussion Questions: #'s 1 and 4
Chapter 21, p. 461	Discussion Questions: #'s 1, 2, 4, and 5

* Homework is graded for extra credit on the pertinent exam as follows:
Homework Grade:

A	=	3 extra points on exam grade
B	=	2 extra points on exam grade
C	=	1 extra point on exam grade
D	=	0 points
F	=	0 points