

Economics 102 – Introductory Microeconomic Analysis and Policy

Spring 2012

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office hours: Monday, Wednesday, and Friday 8:45-9:00, Wednesday 5:15-6:00, and by appointment

COURSE DESCRIPTION:

Methods of economic analysis and their use; price determination; theory of the firm; distribution.

COURSE OVERVIEW:

Economics 102 is the microeconomics half of a two-semester introductory course on the principles of economics. Economics 104 addresses macroeconomics. I will assume that this is your first course in economics. We will examine the behavior of individual economic entities: the individual consumer, the individual firm, and the individual worker. Microeconomics considers how individuals and firms make decisions about how to use the resources they control and how the interactions of individuals and firms affect the overall allocation of society's resources. Central themes include how and why markets work to allocate resources, why they may fail to work, and the implications for social policies of both their successes and failures. This course seeks to introduce you to the ways in which economists view the world and to teach you to utilize these ways of thinking when you approach economic problems and questions.

COURSE LEARNING OBJECTIVES:

- Gain factual knowledge and learn basic microeconomic principles
- Introduce the method and subject matter of economics so that you as students and citizens of the international community can be led to independent analysis and judgment on economic issues
- To learn how economists use theory, graphs, and evidence in their work
- Introduce the workings of a market economy in which business firms operate and to demonstrate the effects that various market structures have on the operation of the firm
- Demonstrate how economic analysis can be applied to a variety of personal, societal, and international issues
- Acquire an understanding of the market mechanism as a means of allocating scarce resources
- To understand why both consumers and producers gain from exchange
- To learn what circumstances determine the prices of productive inputs

RECOMMENDED TEXTBOOK:

William Boyes and Michael Melvin, *Microeconomics* (8th edition), South-Western, 2011 (ISBN: 1439039089).

Most any microeconomic principles textbook (especially old editions of the Boyes and Melvin text) will do as they all cover pretty much the same material.

EVALUATION/GRADING:

First Midterm Exam	22.5%
Second Midterm Exam	22.5%
Quizzes	25%
Final Exam	<u>30%</u>
	100%

Grading Ranges:

A = 90.0 - 100%	C + = 75.0 - 77.4%
A - = 87.5 - 89.9%	C = 70.0 - 74.9%
B + = 85.0 - 87.4%	D = 60.0 - 69.9%
B = 80.0 - 84.9%	F = below 60.0%
B - = 77.5 - 79.9%	

PROVISIONS FOR POSSIBLE SYLLABUS ADDENDA OR REVISIONS:

There may be changes in the assignments and dates. Students are responsible for learning of any changes in the syllabus that are announced in class.

COURSE POLICIES:

Students are expected to take full responsibility for his/her academic work and academic progress. Students are expected to attend class regularly, for consistent attendance offers the most effective opportunity open to all students to gain developing command of the concepts and materials of the course. A study (Romer, JEP, Summer 1993) found that the difference in performance for a student who attends regularly and one who attends sporadically is about a full letter grade. However, attendance in class, in and of itself, is not a criterion for evaluation of the student's degree of success or failure. Furthermore, absences do not alter what is expected of the student qualitatively and quantitatively. Absences will not be used in the computation of grades.

Late assignments will not be accepted. Make-up exams will be given only when the absence of the student results from one of the following causes: illness (where the student is too ill to attend class), religious observance (where the nature of the observance prevents the student from being present during

the class period), participation in university activities at the request of university authorities, and compelling circumstances beyond the student's control. Students requesting a make-up exam must furnish documentary support for their assertion that absence resulted from one of these causes.

Students who focus on the business of the class increase their likelihood of success. They can do so by listening attentively to the instructor or to other students while participating in discussions. They can take notes that will help them to review the material. During class, they can participate as fully as possible and volunteer to answer questions. Failing to focus decreases the likelihood of success. During this class, it is inappropriate to study for other classes or to read letters or magazines or newspapers. Eating or drinking in class is also distracting.

Students should minimize all behaviors that distract others during the class. Talking to other students apart from class discussions is inappropriate. Students who carry a cell phone or beeper should mute it during class time. Students who arrive late should seat themselves as quietly and as near to the door as they can. Students who must leave before the class period ends should exit quietly.

Deferred grades are not normally offered. The course material is designed to be completed within the semester time frame.

According to the University Faculty Senate Policy 49-20, "Academic integrity is the pursuit of scholarly activity in an open, honest and responsible manner. Academic integrity is a basic guiding principle for all academic activity at The Pennsylvania State University, and all members of the University community are expected to act in accordance with this principle. Academic integrity includes a commitment not to engage in or tolerate acts of falsification, misrepresentation or deception. Such acts of dishonesty violate the fundamental ethical principles of the University community and compromise the worth of work completed by others." Academic dishonesty will result in an F for the course and the implementation of the Faculty Senate's Academic Policy Integrity Procedure.

Class participation is highly encouraged. Participation implies more than mere presence in the classroom. It is an active, meaningful, thoughtful, and relevant contribution to discussion and other activities. Students are expected to contribute significantly to discussion voluntarily or when called upon.

Penn State is committed to providing access to a quality education for all students, including those with documented disabilities. If a student has a disability and wishes an accommodation for a course, it is the student's responsibility to obtain a University letter confirming the disability and suggesting appropriate accommodation. This letter can be requested from the York campus Disability Contact Liaison, Dr. Cora Dzubak located at the Nittany Success Center.

In the event of a campus closure, course requirements, classes, deadlines and grading schemes are subject to changes that may include alternative delivery methods, alternative methods of interaction with the instructor, class materials, and/or classmates, a revised attendance policy, and a revised semester calendar and/or grading scheme. Information about course changes will be communicated through email and in writing.

For notification about campus closures, please refer to Penn State York's website at <http://www.yk.psu.edu>, call the weather hotline at 717 771-4079, or sign up for live text messages at PSUTXT (<http://live.psu.edu/psutxt>). This is a service designed to alert the Penn State community via text

messages to cell phones when situations arise on campus that affect the ability of the campus - students, faculty and staff - to function normally.

Academic support services for this course are available at the Nittany Success Center including study groups, 1:1 tutoring, study skills instruction, and computer support.

COURSE REQUIREMENTS:

Two midterm exams and a final examination will be administered during the semester. The final exam is cumulative while the midterm exams include only the material covered since the previous exam. The dates of these exams are listed below. Each class, except the first and those after the midterm exams for a total of 10 quizzes, will begin with a quiz on the material covered during the previous week's class. A student's five highest quiz scores will be used in the computation of the quiz component of his or her course grade. Exams and quizzes may consist of any or all of the following types of questions: multiple choice, true/false, essay, short answer, fill in the blanks, matching, mathematical problems, and graphing.

The concept of doing extra work for extra credit does not exist within this course. The final grade is based on stated assignments and requirements. Please recognize that your tuition dollars earn you the right to participate in this course. It is your demonstrated attainment of course concepts and content that earn you a final grade.

Finally, please feel free to come see me to ask questions or to discuss difficult material. The course material is all cumulative. If you do not understand what happens in the first week, you will not understand what happens in the last week. If my office hours are not convenient, you may set up an appointment for an alternative time.

SESSIONS

January 11	Introduction to Economics	Ch. 1
January 18	More Introduction to Economics	Ch. 2
January 25	Supply and Demand	Ch. 3
February 1	The Public and Private Sectors	Ch. 4
February 8	Elasticity	Ch. 5
February 15	First Midterm Examination	Ch. 1-5
February 22	Consumer Behavior	Ch. 6
February 29	Production, Costs, and Profits	Ch. 7 and 8
March 14	Perfect Competition	Ch. 9
March 21	Monopoly and Imperfect Competition	Ch. 10 and 11
March 28	Second Midterm Examination	Ch. 6-11
April 4	Market Failure	Ch. 12 and 13
April 11	Resource Markets	Ch. 14, 15, 16, and 17

April 18
April 25

Economics of an Aging Population & Poverty
World Trade

Ch. 18 and 19
Ch. 20 and 21

May 2

Final Examination

Ch. 1-21