

# University of San Diego

School of Business Administration

Principles of Microeconomics (ECON 101-58)

Professor: Stephen J. Conroy, Ph.D.

Fall 2014

*USD's School of Business Administration Mission Statement: To develop socially responsible business leaders with a global outlook through academically rigorous, relevant, and values-based education and research.*

## Lecture:

- Time:  
Tues, Thurs: 10:45 – 12:05 p.m.
- Location: OH 129

## Office:

- Hours: Mon: 11:00 – 12:00, 1:00 – 2:00; Wed: 12:30 – 3:00; and upon request
- Location: Coronado Bld. (far west end of campus), Rm. 108

Telephone: (619) 260-7883

Email: [sconroy@sandiego.edu](mailto:sconroy@sandiego.edu)

Web Page: <http://www.sandiego.edu/~sconroy>

Blackboard: <https://ole.sandiego.edu/webapps/portal/frameset.jsp>

**\*Last Revised: September 4, 2014. Please be sure to check Blackboard site for the most current syllabus.**

## Course Materials:

Required:

- *Economics* (5<sup>th</sup> Edition), R. Glenn Hubbard & Anthony Patrick O'Brien (Available in USD bookstore)
- *Lecture Handouts Packet* (10<sup>th</sup> Edition), Conroy, Stephen J. (Available in USD bookstore)

- *The Travels of a T-Shirt in a Global Economy: An Economist Examines the Markets, Power and Politics of World Trade, 2nd Edition.* © 2009. Rivoli, Pietra. New Jersey: John Wiley & Sons, Inc.
- *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything.* (2006). Levitt, Steven & Stephen Dubner. New York: William Morrow, an Imprint of Harper Collins Publishers. (Available in USD bookstore.)

### Course Description

This is an introductory course in microeconomics. Taken from "micro" meaning "small," microeconomics is the study of the allocation of our scarce resources at the local (firm, household or governmental) level. Fundamentally, this course is about the role of scarcity in guiding economic decision-making. We will investigate the concept of opportunity cost, supply and demand, consumer choice, production, costs, profit maximization and market structure. In addition, we will investigate the labor, capital and financial markets in more depth.

### Course Objectives

The principal aim of this course is to acquire a strong introductory knowledge of microeconomic terminology, models (e.g., supply and demand) and facts that may be applied in everyday life as a consumer and/or seller of goods and services. Thus, the ultimate objective will be to learn the tools and analytical models in order to apply them to real world situations. Upon completion of this course, students should be able to:

- read and understand articles about the product, labor, capital, and financial markets printed in the popular press such as the "Business" section of the local paper, *Business Week*, the *Wall Street Journal*, etc.
- describe the nature of economics in dealing with the issue of scarcity
- explain the impact of international trade and factors affecting the free-flow of goods and services on living standards
- explain the law of demand and evaluate factors that influence consumer demand for products
- perform supply and demand analysis to analyze the impact of economic events on markets
- describe market failure and the role of government and institutions in dealing with those failures
- evaluate how factors such as cost and the level of competition affect profitability and firm behavior
- analyze the performance of firms under different market structures
- use economic analysis to evaluate current social and political issues and policies

### Learning Methods and Measurement of Learning

The topics in the Course Calendar section will be addressed at length throughout the course using a myriad of teaching devices. Among these are the following:

1. **Reading the textbook:** While my lectures are quite comprehensive, time constraints do not allow us to go into all of the detail necessary for this course. Therefore, reading the textbook is an excellent preparation and learning tool. There will be times when my lecture material deviates somewhat from the textbook (e.g., definitions, the way in which subjects are covered, sequencing, etc.). If you are in doubt, follow my notes!
2. **Class Lecture:** You are expected to attend each class. Just as reading the textbook will help you to learn the material directly from the authors, attending class provides an opportunity for you to gain a different perspective--both from the instructor and your fellow classmates. In addition, valuable

information about homework assignments, quizzes, exams, and updates to the syllabus will be announced in class. (See section below on Classroom Conduct Expectations.)

3. **Problem Sets (Homework Assignments):** Economic theory is a subject that develops logically; hence good learning requires continuous work and frequent practice at applying theory. My experience as an economics student (!) has taught me that problem sets are the best way to solidify concepts.
  - **Grading Problem Sets:** Problem Sets are pass-fail. If over 65% is correct then you will receive a “Pass”; otherwise you receive a “Fail.” A “Pass” translates at the end of the semester to a 100% score, while a “Fail” translates into a 0%. Failure to turn in an assignment on time will result in a “Fail” (see below). I encourage you to work together on your problem sets. By this I mean collaborating together to solve problems, **not simply copying down answers from someone else, would be a violation of the student code of conduct.**
  - **Headings for Problem Sets:** **All problem sets should contain the following heading neatly inscribed at the top: "Problem Set #\_\_\_; Name:\_\_\_\_\_; Date Due:\_\_\_\_\_; Officially Enrolled in Section: \_\_\_\_\_(e.g., Section XXXX, T, Th)"** Papers that do not have this complete heading will receive a 5 point deduction before the first Midterm; 10 point deductions per assignment after that. (To assist you, most problem sets available on my web site already have this heading embedded in them.)
  - **Late Problem Sets:** I will not accept late problem sets for credit. Period. Since there are many good reasons that you may not be able to attend a class during the semester—e.g., you are on a university-sanctioned event, you are ill, etc.—there are three things you may do: (a) [this applies to the vast majority of university-sanctioned, excused absences] if you know ahead of time when you will be gone, you may turn in problem sets in advance (e.g., before leaving for a tennis tournament on which you are a player), (b) you may give your problem set to a classmate to turn in or—as a last resort—email me the assignment as an attachment (see Email etiquette below), or (c) simply do nothing and drop that assignment. [At the end of the semester, I will drop your lowest score in the quiz/problem set category.]
  - **Staplers:** You are responsible for turning in problem sets that are neat and orderly. This means that you should pack a small, inexpensive stapler in your backpack and bring it with you in case you need to staple your problem sets together—or plan ahead and staple the assignment together before bringing it to class. I know from my experience in the "real world" that neatness usually counts, so turning in neat assignments that are properly headed, stapled, etc. is excellent preparation for the next level, while showing consideration for my graduate assistant's and my time!
4. **Quizzes:** Good quizzes make excellent study guides for exams and an opportunity to demonstrate your command of the material. These will be listed in the syllabus and/or announced in class ahead of time. In order to promote learning from your fellow students, all quizzes are closed book, closed notes, open mouth . . . that is, you will work on quizzes in small group clusters.

Note: As with problem sets, there are no make-up quizzes. Since some of you may have a good reason for having to miss at least one of these classes, at end of the semester, I will I will drop your lowest score in the quiz/problem set category.
5. **Writing Assignments:** Expressing your ideas in written form is an important part of your higher educational experience. Thus, there will be writing assignments or “essays” throughout the semester that expand your knowledge and understanding of the textbook material. See the Writing Assignment “Instructions” in Blackboard for a complete discussion of expectations, grading, etc.
6. **Exams:** Good exams are excellent measures and sources (!) of learning. While not the sole determinant of your grade, they are weighted heavily to reflect their importance.

7. **The Internet:** The course's Blackboard site and my "public" web site are very important entrees into the cyber world of economics in general and this class in particular. They will guide you to a host of very informative web locations including those provided as supplements to your textbook. In addition, the syllabus/class calendar--including exam dates--will be updated periodically online so be sure to check the course's Blackboard site (especially the "announcements" section) and syllabus on at least a weekly basis. (Save these as bookmarks!) For assistance on how to use Blackboard, go to the main "Ole" (pronounced *oh-lay*, as in what toreros say to poor, innocent and nearly defenseless bulls) portal and view the tutorials <https://ole.sandiego.edu/webapps/portal/frameset.jsp> . Remember, when all else fails, Google what you need and probably someone online has answered your question for you.

### Special Technology Utilized by Students

- **Computers:** There is a moderate amount of computer technology that is required in this class. In particular, students must be able to access the Blackboard platform and, to a lesser extent, my web site, on a regular basis in order to access the problem sets, Lecture Handouts Packet, course syllabus, previous semester's exams, etc. and to read class announcements.
- **Laptops in Class:** There is no reason to bring a laptop computer to this class. The Lecture Handouts Packet provides a framework for taking notes, which I expect to be taken by hand. My experience has been that this process provides for a very high level of peer-to-peer and student-instructor interaction in class.
- **Calculators:** Hand-held calculators are permitted during quizzes and exams with the following stipulation: **calculators may not be of the "programmable" (e.g. Hewlett Packard "big-screen") type--even if you do not know how to program them.** Simple hand-held calculators which perform basic operations such as addition/subtraction, multiplication/division, and even contain *temporary* memory storage will suffice and can be purchased inexpensively at local office supply stores! In short, any non-programmable calculator is acceptable. **If you arrive to a quiz or exam without your calculator or with a "programmable" calculator, you will not be able to use any calculator on the quiz or exam.** Make your plans NOW to avoid being caught in this situation.

### Prerequisites

There are no prerequisites for this course. However, basic reading, analytical and mathematical (including high school algebra) skills are essential! My previous experience from teaching this course is that basic mathematical skills are very important, so if you are in doubt about your abilities, please contact me to discuss this as soon as possible. I have also set up some good links to math tutorial sites within the Blackboard site.

### Dropping and Adding

Please note in advance on your calendar when the key dates are for dropping and withdrawing from this class in case you need to exercise these options. You may go to <http://www.sandiego.edu/news/academiccalendar/> for the USD academic calendar, or consult the USD *Undergraduate Bulletin* at <http://www.sandiego.edu/bulletin/> for information.

### Expectations for Academic Conduct/Plagiarism Policy

I expect all students enrolled in this course to accept the responsibility of reading, understanding, and meeting all course requirements and policies as set forth in this syllabus and other accompanying documents. You are expected to inform me immediately of any personal circumstances that may require special consideration in meeting course requirements or adhering to course policies. I expect all students to abide by the University's *Student Rules of Conduct* as published on the USD web site (see [http://www.sandiego.edu/conduct/the\\_code/rules\\_of\\_conduct.php](http://www.sandiego.edu/conduct/the_code/rules_of_conduct.php)), including the Academic Integrity Policy and the USD Honor Code. Failure to do so will result in disciplinary actions including but not limited to receiving a failing grade for the course.

### **Special Assistance**

Students with documented disabilities who may need accommodations should make an appointment with the University of San Diego Disability Services (Serra Hall 300; phone: 619-260-4655; email: [disabilityservices@sandiego.edu](mailto:disabilityservices@sandiego.edu) and web site: <http://www.sandiego.edu/disability/> ) as soon as possible. Academic accommodation memos must be submitted to faculty in order to implement reasonable accommodations. The university also offers student counseling services, available at the Counseling Center at 619-260-4655.

### **Expectations for Classroom Conduct (Participation)**

Participation in class is very important. To emphasize the importance of this, a portion of your grade (see below) is based on "class participation." There are three ways in which to fulfill expectations in this area:

#### **1. Participate Actively**

- To be "actively" participating in lectures, one must—at a minimum—be physically present, pay attention to the discussion, and respond constructively to questions, etc. Students who fulfill this objective and attend a vast majority of classes (i.e., miss no more than two classes), will be eligible for an 80 percent in the "Class Participation" category.
- In order to receive above an 80 percent, one must initiate discussion, i.e., volunteer answers to questions posed by the instructor, raise interesting points or questions related to the topic, and avoid dominating class discussions (i.e., trying to monopolize the conversation with the instructor, responding without raising one's hand to a large number of questions, etc.).
- While it may seem "childish," there are at least two good reasons for **raising your hand** before being called on in class. It shows respect for (a) other students in the class (including those who may not be as vociferous or assertive), and (b) your instructor (who is charged with keeping the lecture "on track" and "on topic").

#### **2. Make Constructive Comments**

Constructive comments are those that are:

- relevant or germane to the discussion. In economic terms, making an unsolicited comment or question imposes a cost (in terms of scarce lecture time) on those around you . . . so make sure that there is a corresponding benefit (in terms of relevance)! In short, if your unsolicited

comment/question is one that does not potentially affect or pertain to the rest of the class, please refrain from making/asking it during class. Your instructor is more than happy to answer questions after class and during office hours.

- respectful of others' points of view--especially if they are contrary to your own!

### 3. Minimize Disruptions

- Please turn off or mute all hand-held electronic devices—and leave them in your backpack before class since this creates an annoying disturbance to your fellow students and instructor—better yet, just leave them at home! You create a huge distraction to your instructor and fellow students when you are glancing at your cell phone for text messages or even sending texts yourself. [For obvious reasons, talking on or receiving messages from a communication device of any kind is strictly prohibited during quizzes and exams.] If your instructor notices you checking your cell phone or texting during class, he will automatically reduce your class participation grade. If you are not sure about this rule, please see your instructor at the beginning of the semester.
- Walking into and out of the classroom during lecture is very distracting—please make sure to take all restroom breaks, etc. before class and to arrive on time in order to minimize disruptions.
- Exercise common courtesy when talking with your neighbor to minimize distractions and provide a good listening environment. As a general rule, if someone else can hear the noise, it is too loud. If your instructor can hear the noise, it is definitely too loud! If this becomes an issue, your instructor will reduce your class participation grade.

### Email

It is important for me to be able to contact individual students by email. For example, I may need to cancel class or office hours due to an unexpected event. Similarly, each time I make an announcement in Blackboard, I will send an email to the class to alert you of this new information. Generally if I send a class email, it will be through the Blackboard server. These emails will go to your USD email account. Be sure to check your USD email account at least daily in order to avoid missing important information.

#### Student-to-Instructor contact:

A few considerations:

- Emails sent to me within Blackboard do not include identifying information other than the sender's email address. Thus, please identify yourself to me in all emails (e.g., "Professor Conroy, this is Jason from your ECON 101 Section 03 class . . .")
- Since individual class attendance is not mandatory, you do not need to email me if you cannot attend a regular class. Actually, since class lectures are so important, I assume that if you do not attend a class or two, you have a VERY good reason for not attending. Please make sure to discuss with a classmate what occurred and try to get class notes from them. You may also contact me during office hours if you have any further questions or issues to discuss. If you will miss a class period when an exam is scheduled, then you should contact me via email or telephone to let me know so we can make other arrangements. Remember that there are no "make-up" quizzes or problem sets since you can drop your lowest quiz or problem set grade. It bears noting, however, that missing more than one or two classes will adversely affect your class participation grade.
- You do not need to reserve an appointment during office hours. I work on a first-come, first-served basis and often assist more than one student at a time.

- If possible, please do not send me homework assignments via email attachments. However, if there is **no** other alternative, then **please do the following when sending assignments as attachments:**
  1. Make absolutely sure that when I open the file everything is on one page and/or spreadsheet so that I do not have to keep opening files or tabbing through spreadsheets to print out problem after problem. An "ideal" homework problem would be in Word format, with tables/graphs cut and pasted into the Word document.
  2. **Make sure your name and problem set number are at the top of each page.**
  3. Check the "Page Set-Up" to make sure that when I print out a spreadsheet, I will not have to print out 50 blank pages. If it is possible, use the "fit to \_\_ pages" option and try to get everything into one or two pages (exception being if this makes the font too small to read). Taking a few moments to format correctly is a way of showing me that you respect the value of my time. Attachments that do not follow these guidelines may be penalized, including not being accepted at all.

### Grading

Grades are calculated at the end of the semester based on the following weighting:

1. Two midterm exams and one final examination (22% each for Midterms 1 and 2, and for Final Exam): 66% Total
2. Written Assignments: 12% total
3. Quizzes/Problem Sets (each assignment or quiz is normalized to 100 points): 15% Total
4. Class Participation: 7%

There may be extra credit opportunities throughout the semester. All extra credit points will be added on to the (raw) total number of points for the Problem Sets and Quizzes. This point total (e.g., 950 PS and Quiz + 60 extra credit points) is then divided by the number of Problem Sets and Quizzes that will count towards your grade (e.g., 9). Note, however, that there is an upper bound on the final Quiz/Problem Sets score, namely that it cannot exceed 100% no matter how much extra credit you receive. Once the course grade is aggregated and weighted as above, the course letter grade is based on the total rounded aggregate score as follows:

A: 94% and above	C+: 77 – 79.99%
A–: 90 – 93.99%	C: 73 – 76.99%
B+: 87 – 89.99%	C–: 70 – 72.99%
B: 83 – 86.99%	D+: 66 – 69.99%
B–: 80 – 82.99%	D: 60 – 65.99%
	F: Less than 60%

Note: Students are reminded that for a Bachelor of Arts and a Bachelor of Business Administration, no grade below C– is allowed for this course. Consult the most recent *Undergraduate Bulletin* for the latest and most accurate information in this regard.

### Service Learning

We may have a community service learning experience during the semester. We will discuss the details in class and I will make any specific information available in Blackboard.

## Instructor Evaluation

On any given day, you may go to my Web site and, towards the top of the page on the left-hand side, you will see a line that reads: “**To provide feedback on one of my courses click [here](#)**” I appreciate your comments and may make adjustments based on input that I receive. Note that you can choose to make your comments anonymous, if you wish. In addition, you will be provided at least one opportunity during the course of the semester (usually after the first midterm exam) to provide me with written input about my performance and an assessment of the course. This allows me to see how the course may be improved before the semester is over. I value your comments and take them seriously both during and after the course is completed.

## Course Calendar

### Prospective Course Outline, Reading and Assignment List (Current as of: September 4, 2014)

Week of:	Assignments, Quizzes, Exams	Lecture Topics and Readings
9/1/2014	<b>Classes Begin on Thursday;</b> No Assignments Due this Week (Begin Reading Rivoli's <i>Travels of a T-Shirt in the Global Economy</i> )	Introduction to Course; Introduction to Microeconomics; Chapter 1
9/8/2014	Thurs: <u>PS1</u> (Graphing Basics)	Appendix to Chapter 1: Graphing and Math Review; Scarcity & Choice, Opp. Cost, PPF, and Economic Systems--Ch. 2
9/15/2014	Thurs: <u>PS2</u> (Opp. Cost and PPF)	Scarcity & Choice, Opp. Cost, PPF, and Economic Systems--Ch. 2; International Trade--Ch. 9
9/22/2014	Tues: <u>Discuss: Travels of a T-Shirt</u> ; Thurs: <u>PS3</u> (International Trade); G. Quiz on Scarcity, O.C. and PPF, International Trade	International Trade--Ch. 9
9/29/2014	Tues: <u>Written Assignment #1: Travels of a T-Shirt</u>	Supply and Demand Basics (Shifts, Movements Along Curves, Equilibrium)--Ch. 3; Demand and Supply Equations--Ch. 4 Appendix (section on demand & supply equations only); Price Floors and Ceilings--Ch. 4 (pp. 109-115 only)
10/6/2014	Tues: <u>PS4</u> (Supply & Demand 1); Thurs: <u>PS5</u> (Supply & Demand 2)	Elasticity--Ch. 6
10/13/2014	<b>Tues: Midterm 1;</b> Thurs: Meet in Serra 156B for Special Career/Resume Class (Begin Reading <i>Freakonomics</i> )	Midterm 1



10/20/2014	Thurs: PS7 Special Problem Set (Career Planning and Resumes)	Go over Midterm 1; Supply and Demand Applications--Consumer & Producer Surplus--Ch. 4 (pp. 102-109 only); Taxes and Incidence--Ch. 4 (pp. 115-121 only); Externalities, Environmental Policies and Public Goods--Ch. 5; Consumer Choice (Marginal Utility Theory, Diminishing Marginal Utility, Indifference Curves)--Ch. 10;
10/27/2014	Tues: <u>PS6</u> (Demand Applications); Tues: Discuss <i>Freakonomics</i> (Chs. 1 - 3);	Consumer Choice (Marginal Utility Theory, Diminishing Marginal Utility, Indifference Curves) (Continued)--Ch. 10; Production--Ch. 11
11/3/2014	Tues: Discuss <i>Freakonomics</i> (Chs. 4 - 6); Thurs: <u>PS8</u> (Production and Costs);	Production--Ch. 11 (Cont.); Short-Run Costs--Ch. 11; Long-Run Costs--Ch. 11; Profit-Maximization (notes)
11/10/2014	Tues: Written Assignment #2 (Freakonomics); Thurs: <u>PS9</u> (LRATC and Profit-Maximization)	Short-Run Costs--Ch. 11; Long-Run Costs--Ch. 11; Profit-Maximization (notes)
11/17/2014	<b>Tues: Midterm Exam 2</b>	Midterm 2; Perfect Competition--Ch. 12
11/24/2014	Tues: <u>PS10</u> (Perfect Competition); <b>Thanksgiving Break on Thursday</b>	Monopolistic Competition--Ch. 13; Oligopoly and Game Theory--Ch. 14
12/1/2014	Thurs: <u>PS11</u> (Monopolistic Competition and Oligopoly);	Oligopoly and Game Theory--Ch. 14
12/8/2014	Thurs: <u>PS12</u> (Monopoly)	Monopoly--Ch. 15
12/15/2014	<b>Final Exam Schedule:</b>	<b>Final Exams: 11:00 - 1:00 on Tues, Dec 16</b>