PRINCIPLES OF MICROECONOMICS (ECON 2010-100)
Department of Economics, University of Colorado
Spring, 2012

Classtime: M,W,F: 1:00-1:50 pm   Room: CHEM 140

Professor: Charles deBartolome   Recitation instructor:
Office hours: M 9:30-10:30am; Tu 10:30-11:30am Recitation place
                Th 1:30 - 2:30 pm.   Recitation time:
Office: Econ 203.   Office hours:
e-mail: debatol@colorado.edu   Office:

Textbook   Mankiw, N. Gregory, (2009), Principles of Microeonomics (6th Edition) WITHh q has@d ath08

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 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 Desire2Learn webpage

All course assignments and some lecture notes are posted on the Desire2learn course webpage located at: https://learn.colorado.edu

In the past, some students have had difficulty in downloading some of the pdf files posted on the course webpage. 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: ironce "â€ ×FV h or.

Concerning in-class clicker questions: a correct answer will receive 1 point and 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, y

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

COURSE OUTLINE

Date	Topic	Chapter
18, 20 Jan	**INTRODUCTION** Eleven Big Ideas Scarcity. Tradeoff. Opportunity cost. Economics as a social science.	1
23 Jan	**THINKING LIKE AN ECONOMIST** Positive and normative. Circular flow model. Production possibility model.	2
25,27 Jan	**GAINS FROM TRADE** Comparative advantage. Specialization. Mutual gains from trade.	3
30 Jan. 1,3 Feb	**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. 65-78)
6 Feb	**CHANGES IN MARKET CONDITIONS** Shifts in the demand curve substitutes and complements. Shifts in the supply curve	4 (pp. 78-85)
8, 10 Feb	**INTERFERING WITH THE MARKET MECHANISM** Coordinating role of prices. Inelastic =steep, Elastic =flat. Price-ceiling and price floors.	6 (pp. 111-121)

13, 15, 17 Feb   HOUSEHOLD DECISION-MAKING: BENEFIT MAXIMIZATION   7
Benefit = willingness to pay   (pp. 135-140)
Consumer surplus   and pp. 439-441
Scarcity: budget line.
Decision-making: marginal changes.
Marginal benefit.
Purchase decision rule: "marginal benefit = price" rule
Consumer demand curve = marginal benefit curve.
Individual net benefit (individual consumer surplus)

20 Feb   In-class review
7:00-9:00 pm FIRST MIDTERM

22 Feb   HOUSEHOLD DECISION-MAKING AND SOCIETAL GAINS
Society's Marginal Benefit
Society's Net Benefit (society's consumer surplus)

24, 27 Feb   FIRM DECISION-MAKING AND SOCIETAL GAINS   7
Marginal changes   (pp. 141-144)
Marginal cost
Production decision rule: "marginal cost = price" rule
Operating profit (producer surplus), marginal operating profit.

29 Feb. 2 Mar EVALUATING THE MARKET OUTCOME   7
Market efficiency

23 Mar	FIRM DECISION-MAKING: PROFIT MAXIMIZATION	14
	Profit maximization	(pp. 279-282)
	Marginal revenue.	
	Entry	
	Competitive firm's demand curve is horizontal	
	Short-run and long-run	

2, 4, 6 Apr	FIRM DECISION-MAKING: COMPETITIVE FIRM	14
	Presence rule of existing firm:	(pp. 282-289)
	"produce if price >= min average variable cost" rule.	
	Presence rule of new firm:	
	"enter if price >= min average total cost" rule	
	Level rule: "produce till marginal cost = price"	
	Firm supply curve in short-run and long-run.	

9, 11 Apr	MARKET ADJUSTMENT	14
	Short-run market supply curve is upward sloping	(pp. 289-293)
	Long-run market supply curve is horizontal.	
	In long-run: price = min average cost.	
	Market dynamics in the short-run and in the long-run.	

13,16,18,20 Apr	MARKET FAILURE: MONOPOLY	15
	Monopoly demand curve is downward sloping.	(pp. 299-313, 318-324)
	Monopoly: marginal revenue < price.	
	Monopoly output choice:	
	"marginal revenue = marginal cost" rule	
	Natural process of innovation, profits and entry	
	Inefficiency: deadweight loss.	
	Public policy discussion.	

23,25,27,30 Apr	MARKET FAILURE: EXTERNALITIES	10
	Divergence of group and individual incentives.	
	Public policy discussion	

2 May	INPUT MARKET: LABOR	18
	Labor Demand: "wage=value of marginal	(pp. 375-389, 392-393)
	product of labor" rule	
	Labor Supply	
	Market equilibrium	

4 May	In-class review	

7 May	1:30-4:00pm FINAL EXAM	