

January 10, 2001

Economics 101
Principles of Microeconomics
Spring 2001
Section 4 - MWF 9-9:50
Arne Hallam - Instructor

Objectives:

The course will focus on principles of microeconomics. Microeconomics concerns the behavior of individual economic agents (or their representatives), and the aggregation of their actions in different economic structures or environments. Upon completion of the course students should understand and be able to work problems relating to the following concepts.

The definition of economics, scarcity, economic actors, economic choice and economic markets
Opportunity cost and production possibilities
Specialization and exchange
Markets and market behavior
Supply and demand relationships
Comparative advantage and trade
Price elasticity of demand, income elasticity of demand, price elasticity of supply
Consumer preferences, budget constraints, utility maximization, individual and market demand
Total, average and marginal concepts in economics
The firm, the production function, other representations of technology, cost minimization, the cost function, profit maximization
Short and long run economic problems
The behavior of purely competitive firms and competitive markets
The behavior of a monopoly firm and the market
The behavior of firms in monopolistic competition and oligopoly and their interaction
The market for labor
The market for capital and decisions involving multiple time periods

Instructor:

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Teaching Assistants

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Office Hours:

M,W	11:00-12:00	266 Heady
M	2:00 - 3:00	266 Heady
TR	1:30-3:00	266 Heady

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Evaluation:

Students will be evaluated based on their ability to analyze economic problems at the individual agent and market level. Students will demonstrate competence in a variety of ways.

Class examinations - There will be 4 in-class examinations. These examinations will be on January 31, February 23, March 23, and April 13. The 3 best scores of an individual student on these examinations will count towards the final grade. There will be no make-up for any of these examinations. If a student misses an examination, the student will receive a zero for that exam.	300 points
Final examination - The final examination will be comprehensive and will be given during the final examination period. A student must take it at the time scheduled unless s/he has three examinations on that day. In such a case the student may take the examination during a special make-up examination period on Thursday or Friday of finals week.	200 points
Class quizzes - There will be 10 in-class quizzes given at random times during the semester. Each quiz is worth 15 points. The seven best scores of an individual student will count. There will be no make-up for any of these quizzes. If a student misses a quiz, the student will receive a zero for that quiz.	105 points
Problem sets - There will be 9 problem sets during the semester. They will be worth 10 points each with a bonus of 5 points if they are all turned in. They will be evaluated as "serious attempt" (10 pts), passable attempt (5 pts), and poor attempt (0 pts). Problem sets will be collected at the beginning of class on the due date. Late problem sets will not be accepted unless the student has informed me prior to the due date that s/he will be unable to meet the deadline due to circumstances beyond his/her control. Students may hand the problem sets in early. Sloppy or illegible work will not be accepted.	95 points
Total possible	700 points

Recitation sessions

Recitation sessions will be held each week at times and places that will be announced the second week of class. A teaching assistant will go over the answers to the previous week's quizzes and problem sets. The teaching assistant will also work one or two problems from the current problem set. The teaching assistant will also answer questions on lecture material. Students are not required to attend recitation sessions.

Examination review sessions

Examination review sessions will be held on the following dates and times in 127 Curtiss Hall.

January 29	(M)	7:00 p.m.
February 21	(W)	6:00 p.m.
March 21	(W)	6:00 p.m.
April 12	(R)	7:00 p.m.

Text

Hall, R. E. and M. Lieberman. Microeconomics Principles and Applications, 2nd Edition. Cincinnati: South-Western College Publishing, 2001.

Study Guide

Students are expected to work through the problems in the Study Guide for each chapter as it is covered. Unless assigned as part of a problem set, these problems will not be graded. Some examination questions will be closely related to the Study Guide questions.

Absences

Students are responsible for the material and work due or conducted during each class period. If a student is ill or cannot attend class due to school or personal reasons, she is responsible to notify me before the class begins. Notification may be by e-mail, phone, answering machine, note, friend, family member, carrier pigeon, etc. Students are responsible for any new material or announcements missed due to the absence.

World Wide Web Resources

The homepage for the course is at http://www.econ.iastate.edu/classes/econ101/hallam/index_S2001.html. The page contains a copy of this syllabus, problem sets, and other such resource material (junk).

The homepage for the text is <http://hall-lieb.swcollege.com>. This page has news articles related to the text, internet applications, and economic policy debates.

**Economics 101 - Spring 2001
Course Schedule**

Month	Date	Day	Lec	Lecture Topic	Reading	(page #s)
Jan	8	M	1	Introduction to economics	Chapter 1	1-11
Jan	10	W	2	Economic analysis and models Opportunity cost	Chapter 1 Chapter 2	12-19 20-22
Jan	12	F	3	Opportunity cost and production possibilities	Chapter 2	20-27
Jan	15	M		Martin Luther King Day (no classes)		
Jan	17	W	4	Exchange, trade, specialization, resource allocation, systems of resource ownership	Chapter 2	28-45
Jan	19	F	5	Markets and market demand	Chapter 3	46-56
Jan	22	M	6	Supply relationships	Chapter 3	57-64
Jan	24	W	7	Supply and demand together	Chapter 3	65-74
Jan	26	F	8	Comparative advantage	Chapter 16	464-469
Jan	29	M	9	Terms of trade and consumption beyond the production possibility frontier	Chapter 16	470-474
Jan	31	W		Examination 1		
Feb	2	F	10	Sources of comparative advantage, disadvantages of trade, barriers to trade	Chapter 16	475-485
Feb	5	M	11	Price elasticity of demand	Chapter 4	81-105
Feb	7	W	12	Income elasticity of demand	Chapter 4	81-105
Feb	9	F	13	Price elasticity of supply	Chapter 4	106-118
Feb	12	M	14	Consumer preferences and the budget constraint	Chapter 5	119-127
Feb	14	W	15	Utility maximization and indifference curves	Chapter 5	147-152
Feb	16	F	16	Indifference curves and individual demand curves	Chapter 5	128-137
Feb	19	M	17	Individual and market demand	Chapter 5	138-146
Feb	21	W		The firm and the production function	Chapter 6	153-159
Feb	23	F	18	Examination 2		
Feb	26	M	19	Isoquants and cost minimization		
Feb	28	W	20	Isoquants and cost minimization		
Mar	2	F	21	Production and cost in the short run	Chapter 6	160-171
Mar	5	M	22	Production and cost in the long run	Chapter 6	172-186
Mar	7	W	23	Input choice and profit maximization	Chapter 7	187-192
Mar	9	F	24	Total revenue & cost, marginal revenue & cost, output choice, profit maximization	Chapter 7	193-202
Mar	12-16			Spring Break		
Mar	19	M	25	Average costs, shut-down rules, goals of the firm	Chapter 7	202-211
Mar	21	W	26	The purely competitive firm	Chapter 8	214-225
Mar	23	F		Examination 3		
Mar	26	M	27	Competitive markets in the short run	Chapter 8	226-229
Mar	28	W	28	Competitive markets in the long run	Chapter 8	230-235
Mar	30	F	29	Competitive markets in the long run	Chapter 8	236-242
Apr	2	M	30	Monopoly and its origins	Chapter 9	245-253
Apr	4	W	31	Single price monopoly	Chapter 9	254-260
Apr	6	F	32	Price discrimination	Chapter 9	261-272
Apr	9	M	33	Monopolistic competition	Chapter 10	274-280
Apr	11	W		Oligopoly I	Chapter 10	281-285
Apr	13	F	34	Examination 4		
Apr	16	M	35	Oligopoly II	Chapter 10	286-295
Apr	18	W	36	Oligopoly II	Chapter 10	295-302
Apr	20	F	37	Input demand and the demand for labor	Chapter 11	305-308
Apr	23	M	38	Input demand and the demand for labor	Chapter 11	309-321
Apr	25	W	39	The value of future dollars	Chapter 12	374-382
Apr	27	F	39	The firm's demand for capital	Chapter 12	383-385
Apr/ May	30-4	M-F		Final examination week		