Microeconomics Principles

Course Description

Demand and supply, consumer behavior, elasticity, production costs, competitive and non-competitive market structures and models of the modern market price system are analyzed. Emphasis on use of marginal analysis to determine prices, output, income and economic welfare in a market price system. Satisfies the economics component of the University core curriculum.

Prerequisites: MATH 1314 or equivalent.

Learning Objectives

- Understand the structure of a market for a particular good or service and the efficiency to which economic resources can be allocated through the market system.
- Understand the concept of elasticity and its applications in pricing decisions and in assessing the burden of a per unit tax.
- Be cognizant of the factors that influence whether or not an individual purchases a good which leads to the goal of satisfaction (utility) maximization.
- Identify the four market structures that a firm could be part of and the differences between those market structures.
- Understand the role of marginal analysis in determining the optimum level of production and prices.
- Effectively review and prepare for the Major Field Test for business majors.

Major Field Test:

The Major Field Test (MFT) is required for all students pursuing the Bachelor of Business Administration degree and will be administered in the MGMT 4388 course, “Administrative Policy and Strategy.” To prepare for this test, business majors are advised to retain their class notes, textbooks, and other relevant materials from this class and the other business core courses. Students will enroll in BUSI 0088 “MFT Review” (concurrently with MGMT 4388) during their final semester; this online course should fine-tune their readiness for the MFT by encouraging them to complete the online MFT review materials and required quizzes available on the course Blackboard learning modules.

Relationship to Other Coursework:

This course assumes the student has completed the mathematical prerequisite. The student will have an opportunity to apply quantitative skills introduced in other courses to solve economic problems. In addition, this course will emphasize the following specific skills: mathematical competency, critical thinking, writing, reading, listening and speaking. The emphasis on the development of these specific skills in this course should benefit the student in other courses undertaken regardless of major.
**Instructional Methodology:**

In addition to lectures, the class will be interactive. A variety of learning methodologies will be used, such as: class discussions, team activities, and quizzes.

**Other Aspects of the Course:**

**Oral and Written Communication Content:**

Class discussion, active participation, quizzes, as well as major examinations will provide an opportunity for evaluating students' performance in oral and written communications.

**Technology Applications:**

Students should strive to use current technological aids and use whatever visual aids would improve the quality of their learning process. The course syllabus and other course material will be available online. Students are encouraged to communicate with the instructor using the Internet. Students are expected to develop computer skills and to use the Internet. Students are encouraged to use financial calculators in class for team activities, class quizzes, and major examinations.

**Ethical Perspectives:**

Decentralized decision-making in a market price system is emphasized. Outcomes of decentralized decisions are examined at the micro and macro levels of the economy. Class discussions are encouraged so that different perspectives may be openly examined. Positive (“what was done”) rather than normative (“what should have been done”) is generally the approach used in microeconomics since a competitive market decision is usually considered a desired outcome.

**Global Perspectives:**

Throughout the course, students will discuss and compare economic activities in the domestic economy to other economies of the world. The market price system in the U.S. is emphasized and compared to decision-making systems used in some other economies.

**Demographic Diversity Perspectives:**

There will be opportunities to compare and discuss demographic diversity in the course especially regarding the diversity of labor in the input markets.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**

The market price system is examined in detail throughout the course. How our society deals with property ownership (private vs. public), monopoly power (regulation vs. state ownership), and environmental issues (marginal costs vs. total costs) are continuing topics for discussion throughout the course.
Performance Evaluation and Grading

Student performance will be evaluated on the basis of three in-class exams, a cumulative final exam, and a series of quizzes. Students will be given an opportunity to earn extra credit by completing homework assignments.

80% of the class grade will come from exams. The material covered on examinations may include scheduled material from the text, class lectures and activities, including assignments and class presentations. See below for the weight distribution for determining the overall course average.

20% of the class grade will be comprised of a series of short “quizzes”. Quiz dates and topics will be announced in lecture and on Blackboard. A small number may will be take-home and involve writing about contemporary microeconomic events. I will drop your two lowest quiz scores (see below). The remaining quizzes, excluding the 2 lowest scores, will receive equal weight in determining the 20% portion of your class grade.

<table>
<thead>
<tr>
<th>Coursework</th>
<th>Points</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1 – Wednesday, February 20th</td>
<td>150</td>
<td>15%</td>
</tr>
<tr>
<td>Exam 2 – Wednesday, March 27th</td>
<td>200</td>
<td>20%</td>
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<tr>
<td>Exam 3 – Wednesday, April 24th</td>
<td>200</td>
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<tr>
<td>Final Exam – Wednesday, May 15th, 1:45 PM</td>
<td>250</td>
<td>25%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>200</td>
<td>20%</td>
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<tr>
<td></td>
<td>1,000</td>
<td>100%</td>
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</tbody>
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TOTAL

Each class and exam is unique. Nevertheless, as a rough idea of the grading scale you can expect, I offer the following:

900 – 1000 = A
800 – 899 = B
700 – 799 = C
600 – 699 = D
<600 = F

The actual scale for the course will be set at the end of the semester, when all grades on all assignments are available.

The student’s demonstrated performance, not the instructor, determines the course grade. No additional work will be given after the final exam to supplement a course grade. Grades are given based solely on student performance, not needs or any personal reasons.

It is the student’s own responsibility to ensure test scores are correctly posted on Blackboard. Students cannot dispute any test or quiz score more than one month after the item is returned or after the next test / quiz is taken, whichever comes first.

Required or Recommended Readings


Bookstore prices of 4th edition: $200 New, $150 Used, $98 Rent

Recommended: Course notes (distributed on Blackboard)

Course Policies

Attendance/tardiness

Students are held responsible for class attendance. Students absent from classes are responsible for assignments due, materials discussed in class, and class announcements - including but not limited to any changes in midterm exam dates. Checking Blackboard often is highly recommended. I reserve the right to offer extra credit opportunities in class, without notice.

Late work and Make-up Exams

Exams: All students are expected to take all of the exams on schedule. No make-up exams will be given for the three in-class exams unless scheduled before the exam date. (Legitimate reasons for scheduling a make-up exam include university functions or medical reasons and require documentation). If a student misses one of the three in-class exams, its weight will be shifted to the final exam. If a student misses more than one in-class exam, I reserve the right to (i) give that student a grade of zero on one or both missed exams, and / or (ii) require additional work from that student. All students must take the cumulative final exam as scheduled, with no exceptions, or will receive a 0 on the exam.

Quizzes: No make-up quizzes will be given unless scheduled before the quiz date. However, I will drop your two lowest quiz scores.

Homework: Late homework assignments will not be accepted under any circumstance.

Extra Credit

A series of homework assignments will be distributed throughout the semester. Homework assignments are extra credit. As I generally distribute answers to homework assignments on the date they are due, I cannot accept late homework. Each homework assignment will receive a grade of “check”, or “check-minus”, which are worth 8 points and 4 points, respectively. Just before assigning grades at the end of the semester, I will total the points for all homework assignments then add this amount to your final class score. Further, quizzes will often be based very closely on homework problems. While you are not required to turn in homework, I strongly recommend doing it, both for the points and the practice.

Cell Phone/Electronic Device Usage

Use of any telecommunication device is not permitted in class. Students caught engaging in such activities will be asked to leave the class for the remainder of the lecture time. No laptop computers will be allowed to be operated during the class. Please mute or turn off your cell phone in class!

Academic Integrity/Plagiarism

This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB. University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in severe penalties. It is your responsibility to ensure that your behavior conforms fully to spirit and letter of the academic integrity statement. If you have any questions, do not hesitate to ask me.
Dropping a Class

I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class.

Friday, April 12th is the last day to drop a class with an automatic grade of “W” this term.

Classroom/professional behavior

Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

Exceptional class performance may change your grade in either direction.

Grade Appeals

As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

Disabilities Accommodations

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall (CCH) 116.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.
# Tentative Course Outline

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<tr>
<th>Topic</th>
<th>Chapter</th>
<th>Class Dates</th>
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<tbody>
<tr>
<td>Introduction, Models</td>
<td>1</td>
<td>1/23</td>
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<tr>
<td>Opportunity Costs, Comparative Advantage</td>
<td>2</td>
<td>1/28, 1/30</td>
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<tr>
<td>Demand, Supply, and Markets</td>
<td>3</td>
<td>2/4, 2/6</td>
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<tr>
<td>Government Price Setting</td>
<td>4</td>
<td>2/11, 2/13</td>
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<tr>
<td>Review</td>
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<td>2/18</td>
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<tr>
<td><strong>Exam #1</strong></td>
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<td><strong>2/20</strong>**</td>
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<tr>
<td>Economic Efficiency, Consumer / Producer Surplus, Taxes</td>
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<td>2/25, 2/27</td>
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<tr>
<td>Elasticities</td>
<td>6</td>
<td>3/4, 3/6</td>
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<tr>
<td>Consumer Choice and Behavioral Economics*</td>
<td>9*</td>
<td>3/6</td>
</tr>
<tr>
<td>Production, Technology, and Costs</td>
<td>10</td>
<td>3/18, 3/20</td>
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<tr>
<td>Review</td>
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<td>3/25</td>
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<tr>
<td><strong>Exam #2</strong></td>
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<tr>
<td>Perfect Competition</td>
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<td>4/1, 4/3</td>
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<tr>
<td>Monopoly</td>
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<td>Monopolistic Competition</td>
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<tr>
<td>Oligopoly / Game Theory</td>
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<td>4/15, 4/17</td>
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<td>Review</td>
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<td><strong>Exam #3</strong></td>
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<td>Externalities, Coase Theorem, Public Goods</td>
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<td>Asymmetric Information, Moral Hazard</td>
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<tr>
<td>Review</td>
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<td>5/6</td>
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<td><strong>5/15, 1:45 PM</strong>**</td>
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*If time permits  
**Exam date