

# Principles of Microeconomics

Fall 2015

## Instructor Information

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Office Hours: Monday - Thursday 10:30 - 11:30 and by appointment

## Course Information

Section 1 (E/M-102-001) meets T Th 12:30 p.m. - 2:20 p.m. in Beck Hall 211

Section 3 (E/M-102-003) meets T Th 2:30 p.m. - 4:20 p.m. in Beck Hall 101

There is an old Cold War story about a Soviet official who visited an American grocery store. Impressed with the broad variety of available items, he remarked “Very well, but how do you ensure that every store stocks all of these items?”

We will learn how economics answers this question; why stores in the U.S. are always well stocked with diverse goods and why shelves in the former Soviet Union or now in Venezuela are always empty. We will also look at many other questions that economics addresses. The economic way of thinking is based on the recognition that resources are scarce. Scarcity necessitates trade-offs: once you use all of your savings to buy a car, you can’t buy a laptop. Or, if a firm increases salaries, it usually must raise prices. Scarcity is omnipresent, however, people deal with it differently in different settings. In this class, we will focus primarily on how scarcity is addressed in a free market economy. We will look at why trade promotes cooperation, what role market prices play in the process, and how the drive to maximize profits translates into the minimization of industry costs and more affordable products for consumers. By the end of the semester, you will be expected to have mastered the basic tenets of microeconomic theory and to apply them correctly to analyze problems.

## Required Textbook

*Modern Principles: Microeconomics* by Tyler Cowen and Alex Tabarrok (with Aplia)

## Other Useful Books

*Make It Stick: The Science of Successful Learning* by Peter C. Brown, Henry L. Roediger III, and Mark A. McDaniel

*How to Read a Book: The Classic Guide to Intelligent Reading* by Mortimer J. Adler and Charles Van Doren

*They Say, I Say: The Moves That Matter in Academic Writing* by Gerald Graff and Cathy Birkenstein

*Economical Writing* by Deirdre McCloskey

*The Now Habit: A Strategic Program for Overcoming Procrastination and Enjoying Guilt-Free Play* by Neil Fiore

*Price Theory: An Intermediate Text* by David D. Friedman. Available for zero price on-line:  
[http://www.daviddfriedman.com/Academic/Price\\_Theory/PThy\\_ToC.html](http://www.daviddfriedman.com/Academic/Price_Theory/PThy_ToC.html)

## Class Etiquette

Professionalism is a habit. To form it, behave in the classroom as you would in a business meeting or at a conference:

1. Show up ahead of time – come to class early enough so that you can unpack and get settled before the class starts
2. Keep your phone out of sight - nothing is more distracting to a presenter than to see someone in the audience texting. It is a basic courtesy to not use your cell phones in class. And even if you aren't looking at your phone, it can get distracting if it starts lighting up on your desk.
3. Leave your laptop in the dorm – laptops create a visual barrier between you and others in the room and therefore hinder communication.
4. Eat elsewhere - it's ok to bring your coffee or any other soft drink to class but no food please. Noise and smell are an obvious distraction, plus, very few people look appealing when talking with food in their mouth (and yes, I will call on you just as you're chewing).
5. Leave the classroom the way you found it – as you're leaving the room, take a look around you and see if there is any trash that needs to be picked up or if you haven't left spare copies of the assignment behind.
6. Engage – with all the distraction out of the way there is only one thing left to do: participate.

## Useful Supplies

Quad Paper

Basic Calculator

Ruler

Markers or Pencils in Various Colors

## Grading Policy

Your final grade will be based on your performance in four categories:

1. Class Participation	20 points
2. Tests	4 x 15 = 60 points
3. Aplia	20 points
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<b>100 points</b>	

### Grade scale:

		B+	87-89	C+	77-79	D+	67-69
A	94+	B	84-86	C	74-76	D	60-66
A-	90-93	B-	80-83	C-	70-73	F	0-59

It is important to note that A's are awarded for exceptional performance, B's are awarded for above the average performance and C's are awarded for satisfactory performance. I wish to highlight that a C is not a failing grade. This grade merely reflects that while your work is satisfactory, there remains room for improvement. There is no pre-set grade distribution for this class and I will use Moodle to communicate your progress. Feel free to check with me on your class performance, just make sure that "what's my final grade" is not the only question you ask me this semester.

## Class Participation

Class participation is crucial for your success in college. It will yield the greatest results if based on solid preparation. I expect you to study systematically, to remain engaged throughout each class, and to read all the assigned material before class. Your participation grades will be based on a variety of classroom and on-line activities (*other than Aplia*). Keep in mind that not every class will provide opportunities for participation, some will constitute purely of lectures. However, if you miss a class in which participation was graded, there will be no make-up opportunities. Instead, at the end of the semester, I will drop your two lowest participation scores.

## Aplia Quizzes

Quizzes, based on the chapters of the Cowen and Tabarrok textbook, are available on Aplia. Depending on the amount of material covered, you will be required to complete up to three quizzes each week. Quizzes will be due on Wednesdays at 11 p.m. and on Saturdays at 5 p.m.

I am unable to extend or change Aplia deadlines for individual students so please note that there will be no make-up opportunities. Instead, at the end of the semester I will drop your two lowest scores. So if you missed one of the assignments, you do not need to email me asking what to do. I will just consider the missed quiz as one of your lowest scores and I will ignore it in calculating your final grade.

To access your Aplia assignments, connect to <http://login.cengagebrain.com/course/CJV9-6AXX-FQV9> and follow the prompts.

After registering for the course, you will need to pay for access using one of two options:

1. Online: You can pay online using a credit or debit card, or PayPal.
2. Bookstore: You may be able to purchase access to Aplia at your bookstore. Check with the bookstore to find out what they offer for your course.

Free Trial: You can access Aplia until 11:59 PM on 09/28/2015 during your free trial. After the free trial ends you will be required to pay for access.

Please note: At the end of the free trial period, your course access will be suspended until your payment has been made. All your scores and course activity will be saved and will be available to you after you pay for access.

If you already registered an access code or bought Aplia online, the course key to register for this course is: **CJV9-6AXX-FQV9**

## Tests

There will be four tests, each worth fifteen percent of your final grade. Each of the tests might have some cumulative questions. If you miss a test without notifying me, you will receive a score of zero. If you find yourself in need of rescheduling, keep in mind the following constraints:

- Should you have a conflicting obligation, you need to speak with me at least a week before the test so that we can arrange an alternative time for you to take the test.
- Should you be unable to attend the test due to sickness, you need to send me an email at least four hours before the test providing an alternative time at which you would like to take the exam.

You will be allowed an entire class period to complete each test. You can use an abacus, slide-rule, or a basic calculator but no graphing calculators are allowed. Cell phones, tablets, and other electronic devices cannot be used in lieu of a calculator.

## Schedule of Class Events

Week	Date	Day	Topic	Readings
1	9/8/15	T	Introduction	
	9/10/15	Th	The Big Ideas in Economics	Ch. 1
2	9/15/15	T	The Power of Trade and Comparative Advantage	Ch. 2
	9/17/15	Th	Supply and Demand	Ch. 3
3	9/22/15	T	How Supply and Demand Determine Price	Ch. 4
	9/24/15	Th	Elasticity	Ch. 5
4	9/29/15	T	Taxes and Subsidies	Ch. 6
	10/1/15	Th	<b>Test 1</b>	
5	10/6/15	T	<i>No Class: Nobel Conference</i>	
	10/8/15	Th	The Price System	Ch. 7
6	10/13/15	T	Price Ceilings and Floors	Ch. 8
	10/15/15	Th	International Trade	Ch. 9
7	10/20/15	T	Externalities	Ch. 10
	10/22/15	Th	<b>Test 2</b>	
8	10/27/15	T	<i>No Class: Fall Break</i>	
	10/29/15	Th	Costs and Profit Maximization Under Competition	Ch. 11
9	11/3/15	T	Competition and the Invisible Hand	Ch. 12
	11/5/15	Th	Monopoly	Ch. 13
10	11/10/15	T	Price Discrimination	Ch. 14
	11/12/15	Th	Cartels, Oligopolies, and Monopolistic Competition	Ch. 15
11	11/17/15	T	Competing for Monopoly	Ch. 16
	11/19/15	Th	<b>Test 3</b>	
12	11/24/15	T	<i>No Class: Conference Travel</i>	
	11/26/15	Th	<i>No Class: Thanksgiving Break</i>	
13	12/1/15	T	Labor Markets	Ch. 17
	12/3/15	Th	Public Goods and the Tragedy of the Commons	Ch. 18
14	12/8/15	T	Political Economy and Public Choice	Ch. 19
	12/10/15	Th	Economics, Ethics, and Public Policy	Ch. 20
15	12/15/15	T	Review	
	12/17/14	Th	<b>Final Exam (Test 4)</b> 8:00 a.m. -10:00 a.m.	

## Tutoring

Free peer tutoring is available to help you with the assignments and to prepare for the tests. Schedule and location will be communicated via Moodle.

## Disability Services

Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and, as a result, need reasonable academic accommodation to participate in class, take tests or benefit from the College's services, then you should speak with the Disability Services staff, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services ([www.gustavus.edu/advising/disability/](http://www.gustavus.edu/advising/disability/)) is located in the Academic Support Center. Disability Services Coordinator, Kelly Karstad, ([kkarstad@gustavus.edu](mailto:kkarstad@gustavus.edu) or x7138), can provide further information.

## Help for Multilingual Students

Support for English learners and multilingual students is available through the Academic Support Center's English Learning Specialist ([www.gustavus.edu/advising/](http://www.gustavus.edu/advising/)). The ELS can meet individually with students for tutoring in writing, consulting about academic tasks, and helping students connect with the College's support systems. When requested, the ELS can consult with faculty regarding effective classroom strategies for English learners and multilingual students. The ELS can provide students with a letter to a professor that explains and supports appropriate academic arrangements (e.g., additional time on tests, additional revisions for papers). Professors make decisions based on those recommendations at their own discretion. In addition, English learners and multilingual students can seek help from peer tutors in the Writing Center ([www.gustavus.edu/writingcenter/](http://www.gustavus.edu/writingcenter/))