Course Description
This course is an introduction to microeconomic principles and their application to decision-making from the perspective of the individual, firm, and industry. We will give particular attention to the market system and how prices and profits are determined and coordinate the actions of economic decision-makers. Topics include: demand and supply, specialization and trade, utility and consumer behavior, competition and imperfect competition, market structure, costs, theory of games, and applications to current issues.

Texts and Other Course Resources Items
2. Top Hat account (required)
5. The Wall Street Journal (recommended). Click here to order online.
6. The Economist (recommended). Click here to order online.
8. Course materials on Blackboard at https://blackboard.missouri.edu

Course Objectives
This course will help provide you with a basic understanding of economic principles so that you can apply economic reasoning to specific, real-world issues. By the end of the course you should be able to

- Use core principles and models of economics to understand real-world problems.
- Define the fundamental economic problem and understand the basis for economic exchanges.
- Understand basic market processes, including the role of profits (and losses) and self-interest in affecting how economies allocate scarce resources.
- Use supply and demand concepts to analyze the effect on market prices and quantities of changes in demand and supply.
- Explain how firms make decisions regarding what to produce, how much to produce, and what price to charge for the output.
- Understand the distinction among competitive and imperfectly competitive market structures.
- Assess the relative weaknesses of market-based processes, including the potential for anticompetitive and unfair business practices, deception, and corruption, and recognize the legitimate means of regulating market activities by government.
- Analyze the effects of policies that interfere with market processes, and explain the proper role of government in market economies.

Course Overview and Evaluation
I expect you to come to class regularly and to participate in class discussions. Preparation for the class includes reading the assigned text material before the scheduled class period. A more thorough study of the text will also be necessary after the presentation and discussion in class. Grading is based on attendance, homework, quizzes, and exams. You are responsible for all assignments, including readings, homework, and supplemental assignments I may require during the term. It is your responsibility to know what is going on in class, so attend class and check Blackboard regularly. I consider an announcement in class and in Blackboard sufficient warning for all class requirements.
Grading Scale
The individual items are weighted as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Points Each</th>
<th>Expected Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class attendance x 25 days counted</td>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>Homework sets x 10</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Quizzes x 10</td>
<td>10</td>
<td>100</td>
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<tr>
<td>First Exam</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Second Exam</td>
<td>100</td>
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<tr>
<td>Final Exam</td>
<td>100</td>
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<tr>
<td><strong>Total possible</strong></td>
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<td><strong>550</strong></td>
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Total points possible may differ if there are changes made to course content and requirements. You can monitor your grade during the semester on Blackboard by taking your points earned divided by the total points possible. I will assign final grades based on your total points received, using the following distribution to identify the number of points needed to reach a particular grade level.

89-91.99% = A  
77-79.99% = B  
65-67.99% = C  
50-55.99% = D  
< 50% = F

82-84.99% = B+  
68-73.99% = C+  
56-61.99% = D+  
99-100% = A+

Attendance, Participation and Etiquette
I will record attendance using Top Hat. I will take attendance each class period. Each day’s attendance will be worth 2 points.

Be mindful of your cellphone use. I reserve the right to confiscate cellphones if, in my judgment, they are a distraction in the classroom. Same with laptops.

Homework
In order to learn economics, you must do it, not just read about it. There are two types of homework problems for each chapter assigned in class – “TRY” questions located within your textbook and a supplemental problem set available in Blackboard. You should work through all of the “TRY” questions in the chapter as well as problems in the supplemental problem set provided on Blackboard. I will not assign specific homework problems in the supplemental problem set. Rather, I expect you to work through enough problems so that you are confident that you have mastered the concepts. You must turn in evidence of completing problems on the assigned due date. Late homework will result in an automatic loss of 50%, unless you make arrangements with me BEFORE the due date. We usually discuss homework problems in class, but you are expected to turn in more than what we discuss in class. I will not grade the homework; I will only record that you have turned in the assignments on time. However, if it appears that your work is sloppy, hastily completed, shows minimal quality or effort, or gives only answers without showing how you solved the problems, your score for the assignment will be reduced accordingly (my discretion). You may work together on homework – in fact, I encourage it – although you must turn in separate homework sheets in your name. That said, homework that appears to be identical to another student's will be returned to you without a grade. Each completed homework assignment will count for 10 points.
Quizzes
You will have one quiz at the end of each unit, which will usually be once a week. Quizzes will cover material from the chapter completed the previous week and correspond to the assigned homework. Everything assigned and/or discussed in class is fair game for the quizzes, including concepts and principles from the assigned textbook readings, even if we do not discuss these in class. Quizzes are administered on Blackboard. You will usually have a day to complete the quiz online, which I will make available following class. Each quiz will contain 10 questions, each worth 1 point. Because quizzes are short, online and available for about a day, I will usually not allow you to turn in a quiz after the due date. If I do, quizzes will be penalized by at least 3 points.

In addition, I may assign supplementary assignments. I will let you know if these are to be graded.

Exams
There will be three exams given this semester – two mid-term exams and a final exam. Exams will usually consist of true/false, multiple choice, fill-in-the-blank, graphing, short-answer, and some long essay questions. I will allow you to make-up a missed exam ONLY if you make arrangements with me prior to the day of the exam. If you miss an exam without making an arrangement with me prior to the exam, I reserve the right to refuse you to take a make-up exam. In this case you will receive a zero for the exam. If I do allow you to take a make-up exam (because I believe you have a good excuse), I will deduct a minimum of 10 points on the exam. Also, the final exam is mandatory; missing the final exam will result in an automatic failure of the course. Each exam will be worth 100 points. My previous course exams are available for review on Blackboard.

Absences and Make-Up Policy
You are responsible for all materials discussed in class and assigned in the readings. If you miss class due to illness or other extenuating circumstance, you may make alternative arrangements provided (1) I am informed prior to the day the assignment is due and (2) I approve the excuse.

Grade Bumps
My policy is not to increase one’s grade in order to help a student avoid academic probation or to achieve a GPA needed to maintain or become eligible for a scholarship, leadership position or other worthy cause. I assign grades based on merit only – that is, performance and effort in completing course requirements.

Academic Honesty
Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor. Thus, if I become aware of an incident of academic dishonesty (cheating, plagiarizing, etc), I reserve the right to give you a grade of zero on the assignment/exam and to report the incident to the Vice Provost for Undergraduate Studies (room 111 Jesse) and the department chair.

Intellectual Pluralism
The University community welcomes intellectual diversity and respects student rights. Students who have questions concerning the quality of instruction in this class may address concerns to either the Departmental Chair or Divisional leader or Director of the Office of Student Rights and Responsibilities (http://osrr.missouri.edu/). All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.
Disabilities
If you need accommodations because of a disability, if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately. Please see me privately after class, or at my office. To request academic accommodations (for example, a notetaker), students must also register with the Office of Disability Services, (http://disabilityservices.missouri.edu), S5 Memorial Union, 882-4696. It is the campus office responsible for reviewing documentation provided by students requesting academic accommodations, and for accommodations planning in cooperation with students and instructors, as needed and consistent with course requirements. For other MU resources for students with disabilities, click on “Disability Resources” on the MU homepage.

Recordings
University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in the Collected Rules and Regulations. In this class, students may make audio recordings of course activity only upon the approval of the instructor. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express written permission of the faculty member and of any students who are recorded (e.g., no postings at youtube.com). Students found to have violated this policy are subject to discipline in accordance with University regulations pertaining to student conduct matters.

Disclaimer
This syllabus and the accompanying discussion schedule are subject to change to facilitate instructional and/or student needs.
Discussion Topics, Reading Assignments, Homework Problems and Important Dates

The following schedule presents the topics and reading assignments for the course. Readings come from both assigned books. I expect you to know the material from all assigned readings, regardless of whether we discuss concepts in class (i.e., anything assigned is fair game for quizzes and exams).

**Week 1: August 25, 27**
Topics: Introduction to economic thinking and models, math and graphing tools
Principles: Ideas are important, particularly economic ideas. Graphs, equations, and tables help illustrate economic principles.
Reading: *Microeconomics*, ch 1; *CoreMicroeconomics*, ch 1; *Undercover Economist*, ch 1
**Homework for chapter 1 due Tuesday, September 1**

**Week 2: September 1, 3**
Topics: Fundamental economic problem, production possibilities frontier, economic growth, absolute v. comparative advantage, gains from trade
Principles: Economies need resources to grow. Production possibilities curves measure trade-offs and show opportunity costs. Comparative advantage results from differences in opportunity costs. When there are differences in opportunity costs, we should specialize and trade.
Reading: *Microeconomics*, ch 2; *CoreMicroeconomics*, ch 2; *Undercover Economist*, ch 9
**Homework for chapter 2 due Tuesday, September 8**

**Week 3: September 8, 10**
Topics: Demand, supply, market equilibrium
Principles: Markets are one way of allocating scare resources. Demand and supply identify the relationship between quantities desired and produced at different prices. Equilibrium occurs when buyers and sellers who wish to exchange at the given market price are able to do so. Shifts in demand and supply explain changes in market outcomes.
Reading: *Microeconomics*, ch 3; *CoreMicroeconomics*, ch 3; *Undercover Economist*, ch 6
**Homework for chapter 3 due Tuesday, September 22**

**Week 4: September 15, 17**
Topics: Demand and supply continued

**Week 5: September 22, 24**
Topics: Review for first exam
Principles: Reading the assigned chapters, working on homework problems, and studying economics diligently will help you to do well on the exam.
**First exam review, Wednesday, September 23, 5:30pm, in 133 Mumford**
**First exam, Thursday, September 24, in class**
Week 6: September 29, October 1
Topics: Price floors and ceilings, consumer and producer surplus, elasticity, excise taxes

Principles: Price floors and ceilings interfere with the allocative function and efficiency of markets. Consumer and producer surplus represents the net value to market participants. How much the quantity demanded changes in response to a price change is different for most goods and services. The price elasticity of demand affects a firm’s total revenue. The tax burden is always shared, but not equally.

Reading: Microeconomics, ch 4; CoreMicroeconomics, ch 4 (pp. 82-84, 89-93), 5; Undercover Economist, ch 5

Homework for chapter 4 due Tuesday, October 6

Week 7: October 6, 8
Topics: Utility maximization, utility and demand curves

Principles: As consumption increases, marginal utility declines. Spending should be allocated across goods so that the marginal utility per dollar is the same for each good. Marginal utility analysis helps us understand demand, as well as differences between rational and irrational behavior.

Reading: Microeconomics, ch 5 (pp. 59-65 only); CoreMicroeconomics, ch 6

Homework for chapter 5 due Tuesday, October 13

Week 8: October 13, 15
Topics: Profit, short v. long run, diminishing returns, costs

Principles: Entrepreneurs and firms owners seek profits. Cost relationships are based on production functions and the time horizon. The time horizon matters. Cost concepts provides answers to questions of whether to produce, how much to produce, and at what profit or loss.

Reading: Microeconomics, ch 6a (pp. 75-83); CoreMicroeconomics, ch 7; Undercover Economist, ch 4

Homework for chapter 6a due Tuesday, October 20

Week 9: October 20, 22
Topics: Types of industries, perfect competition

Principles: Economic profits are not the same as accounting profits. Perfectly competitive firms are price takers. Output is determined by comparing price (marginal revenue) and marginal cost. When markets function well, resources move out of industries in which firms make below normal profits, and into industries in which firms make above normal profits.

Reading: Microeconomics, ch 6b (pp. 83-91); CoreMicroeconomics, ch 8; Undercover Economist, ch 3

Homework for chapter 6b due Tuesday, October 27

Week 10: October 27, 29
Topics: Review for second exam

Principles: Reading the assigned chapters, working on homework problems, and studying economics diligently will help you to do well on the exam.

Second exam review, Wednesday, October 28, 5:30pm, in 133 Mumford
Second exam, Thursday, October 29, in class
Week 11: November 3, 5
Topics: Barriers to entry, monopoly, price discrimination
Principles: Entry and exit barriers determine the competitiveness of markets. Firms with monopoly power are not necessarily bad, but they are not always desirable either. Being a monopolist does not guarantee an economic profit. Firms can increase profits by price discriminating. Governments usually regulate monopolies, particularly natural monopolies.
Reading: Microeconomics, ch 7a (pp. 92-98); CoreMicroeconomics, ch 9; Undercover Economist, ch 2
Homework for chapter 7a due Tuesday, November 10

Week 12: November 10, 12
Topics: Monopolistic competition, oligopoly, game theory
Principles: Most industries are neither perfectly competitive nor fully monopolistic. Thinking like an economist includes thinking strategically. The Prisoner’s Dilemma and other “games” help economists make sense of many types of human and business behavior.
Reading: Microeconomics, ch 7b (pp. 98-106); CoreMicroeconomics, ch 10; Undercover Economist, ch 7
Homework for chapter 7b due Tuesday, November 17

Week 13: November 17, 19
Topics: Externalities, public goods, market failure
Principles: Externalities affect resource allocation. Secure, well-defined property rights are essential for the effective functioning of markets. Markets function poorly for public goods and common property resources.
Reading: Microeconomics, ch 8; CoreMicroeconomics, ch 13 (and 4); Undercover Economist, ch 8
Homework for chapter 8 due Tuesday, December 1

Thanksgiving break: November 24, 26

Week 14: December 1, 3
Topics: Factor markets
Principles: Labor, land and capital are important factor markets. Workers must balance labor with leisure. Labor demand is a function of the marginal product of labor. Unemployment means there is a surplus of labor. A fixed supply of land has strong effects on land prices. Interest rates affect and are affected by capital markets.
Reading: Microeconomics, ch 9; CoreMicroeconomics, ch 11, 12
Homework for chapter 9 due Tuesday, December 8

Week 15: December 8, 10
Topic: Catch-up, wrap-up, and review for final exam
Principles: Reading the assigned chapters, working on homework problems, and studying economics diligently will help you to do well on the exam.
Final exam review, Monday, December 14, 5:30pm, in 133 Mumford
Final exam, Wednesday, December 16, 3:00-5:00pm, in class