

DePaul University
PRINCIPLES OF MICROECONOMICS
Winter 2019/20

Professor: Anthony C. Krautmann; 6208 DePaul Center; 362-6176; AKRAUTMA@DEPAUL.EDU
Office Hours: Tuesdays and Thursdays, 10:30--11:30 am
SI Leader: Annie Nyqvist, anyqvist@mail.depaul.edu

Course Description:

This course is designed to give the student an introduction to the field of economics known as microeconomics. Microeconomics focuses on optimal decision making by individuals, as well as the social consequences of these decisions. We will model how society answers the three basic economic questions: what and how much is produced? how is it produced? and who gets what's produced?

Classroom Rules and Procedures:

- 1) You are expected to attend each lecture and participate in classroom discussion. Attendance is mandatory and role will be taken.
- 2) The student is responsible for contacting the professor before the scheduled exam time to request a makeup exam (see Student Handbook). **Illnesses must be verified by a doctor's written excuse.** Makeup exams are proctored by the College and usually scheduled on Saturday mornings.
- 3) Homework assignments account for 20% of the course grade. All homework will be collected at the beginning of class -- **no late homework will be accepted!** All homework assignments can be obtained in D2L under the "Assignments" module.
- 4) Laptop Computers in Lecture: Students can bring laptops to lecture for purposes of taking notes or following the Lecture Notes. **If you come to lecture to surf the net, or purchase concert tickets, or anything NOT ASSOCIATED WITH ECON 105, you will no longer be allowed to use the laptop during lectures.**
- 5) Grades will be determined in the following proportions: 20% Homework, 40% Midterm, 40% Final
- 6) Recommended Textbook* or Lecture Notes:
Baumol, William J., and Alan S. Blinder, Microeconomics: Principles and Policy, 13th edition
Ohio: Cengage/Southwestern, 2016. ISBN:978-1-305-28061-8.
- 7) In addition to the SI program, the Economics Dept. also provides tutoring services for Principles students. I'll announce the tutoring schedule when it becomes available.
- 8) Bring to the exams:
 - a. The student should bring two Number 2 pencils for the ScanTron Answer Sheet.
 - b. Once the exam has begun, **no student will be allowed to leave the room for any reason** (including going to the bathroom). No baseball caps worn to exams. No calculators needed nor allowed.
- 9) Turn off your cell phones before you get to class.
- 10) Note that my lecture notes ("Lecture Notes") are on D2L. These provide a very succinct source of course information. All lecture notes can be obtained via D2L in the "Lectures" tab.
- 11) Student work in this course will fulfill the Social Behavioral and Cultural Inquiry Learning Outcomes and Writing Expectations of DePaul's Liberal Studies Program. Students will analyze and reflect upon arguments about the contemporary world using economic theory, methods, and evidence. Students will also analyze economic interdependencies between society and its individuals.
- 12) **The Economics program at DePaul has a "4+1" combined degree which allows students to complete both the undergraduate and Master degrees in Economics within five years. If interested, stop by to talk to me.**

** I have posted all my lecture notes in D2L – you may find that these notes suffice for all necessary background material. Alternatively, you may want to purchase the Baumol and Blinder textbook (either the 13th edition, or any earlier edition). If you decide on using just the posted lecture notes, please include your opinion on how this worked when you fill out the student evaluations at the end of the quarter.*

LECTURE SCHEDULE

TOPIC	READINGS	HOMEWORK
Introduction	Ch. 1&2 in BB* Introduction – Scarcity Problem in LN** Notation Guide***	
Scarcity and the Productions Possibilities Economic Growth	Ch. 3 in BB Production Possibilities in LN Production Poss. And the Law ..***	Homework #1
Gains from Trade	Ch. 22 in BB Gains from Trade in LN Gains from Trade*** Gains from Trade Exercise*** Protect Jobs from Foreign Competition***	Homework #2
Law of Supply and Demand	Ch. 4 in BB Market Analysis in LN Law of Supply and Demand*** Review of Market Analysis***	Homework #3
Price Controls	pp. 70 – 76 in BB Price Controls in LN How Much Do Price Controls Cost Us?***	Homework #4
Elasticity	Ch. 6 in BB Elasticity in LN Elasticities in the News***	
MIDTERM (around 2/11)	Review for Midterm***	
Theory of the Consumer	Ch. 5 in BB Consumer in LN It Pays to Get a College Degree*** Why are you at DePaul?***	
Production and Cost Theory	Ch. 7 & 8 in BB Production Theory in LN Cost Theory in LN Payment to Hedge Managers*** Production Theory*** Why Implicit Costs Matter***	Homework #6
Pure Competition	Ch. 10 in BB Competitive Market Structure in LN Market Structures*** Long-run Competitive Equilibrium***	Homework #7
The Monopolist Competition vs. Monopoly	Ch. 11 & 14 in BB Monopoly Market Structure in LN	Homework #8
Monopolistic Competition and Oligopoly	Ch. 12 in BB Imperfectly Comp. Market Structures in LN Calculating Concentration Ratios*** OPEC Has a Hard Time Controlling Itself***	
Market Failure (Public Goods and Externalities)	pp. 307 – 318 in BB Market Failure in LN	
FINAL EXAM (March 17 at 11:30am)	Final Review Sheet*** More Problems on PC vs. PM***	

* refers to Baumol and Blinder (BB) textbook

** refers to Lecture Notes (LN)

*** refers to Readings in D2L in Course Documents

Supplemental Instruction Program

This section of ECO 105 was selected to participate in DePaul's Supplemental Instruction Program. Supplemental Instruction (SI) is a series of weekly review sessions for students taking historically difficult courses. SI is provided for ALL students who want to improve their understanding of course material and improve their grades. Your SI leader is Annie Nyqvist. She will contact the class shortly.

Attendance at sessions is voluntary (and free to you!). It offers a chance to get together with people in your class to compare notes, to discuss important concepts, develop strategies for studying Economics, and to test yourselves before quizzes and exams. At each session you will be guided through this material by your SI leader, a model student who has previously taken the course.

Each week, the SI leader will conduct three one-hour study sessions. You can attend the time the works best for you. You may not be able to attend a session each and every week. That's OK, but the sessions will build on each other, so try to attend as many as possible. Session times and schedules can be found on the Supplemental Instruction web-site: www.depaul.edu/~si.