DePaul University

PRINCIPLES OF MICROECONOMICS

Spring 2025

**Professor:** Anthony C. Krautmann

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**Contacting the Professor:**

I am available during my office hours, which are Wednesdays from 10:30-11:30am (Chicago time).

**Required text**:

No required text, as my lecture notes and videos cover all the course material. If you need a reference textbook, however, I would suggest William J. Baumol, Alan S. Blinder, and John Solow Microeconomics: Principles and Policy, any edition (current edition is 14th edition, Ohio: Cengage/Southwestern, 2020. ISBN: 978-1337794992). But you can easily obtain an earlier edition for much less (note that previous editions included just the authors Baumol and Blinder). Alternatively, any Principles of Microeconomics textbook will suffice.

**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? The course is fairly rigorous and mathematical, using geometry and algebra, so I strongly suggest that the student review their mathematics notes. The prerequisite for this course is MAT101. **Note: All course communications between you and me must be via your DePaul email address – none will come to your personal emails.**

**Learning Outcomes:**

As the result of successful participation in this course, students will be able to show their understanding of rational economic behavior. Microeconomics covers optimal behavior from the perspective of both the household as well as the firm. Students will be able to demonstrate their comprehension of these basic models by recognizing how real-world cases and examples relate to optimal behavior. In particular, students will:

1. Be able to analyze market outcomes using the Law of Supply and Demand.
2. Be able to outline economic decisions using marginal analysis; in particular, comparing marginal benefits to marginal costs.
3. Be able to identify different market structures and use this knowledge to predict how firms in different market structures make pricing and production decisions.
4. Explain the efficiency and equity of competitive markets, and compare this outcome to the inefficiencies associated with monopoly power.
5. Be able to explain the limits of competition when faced with market failures like public goods and externalities.

**Academic Integrity:**

The student is expected to uphold all of the conditions outlined in the Student Handbook regarding academic integrity. All work must adhere to the University Academic Integrity Policy (see the Student Handbook, or visit <http://academicintegrity.depaul.edu> ). Please be aware that any work hand in can be checked through Turnitin technology (including exams submitted through D2L).

**Center for Students with Disabilities**

DePaul University is committed to providing students with disabilities equal access to DePaul’s educational and co-curricular opportunities so that students may fully participate in the life of the university. The Center for Students with Disabilities (CSD) services are available to students with diverse physical, learning, medical, mental health and sensory disabilities. The Center offers supports to students to achieve their academic goals while promoting their independence. CSD is a resource to the many university departments that share the responsibility of supporting the members of our diverse learning community. For more information, call 312-362-8002/773-325-1677 or email [csd@depaul.edu](mailto:csd@depaul.edu)

**Student Evaluations**

At the end of this course, you will have the opportunity to evaluate this course and the effectiveness of the instructor. This feedback is extremely valuable to me as an instructor as it allows me to adjust those teaching moments which were, or were not, effective. Please take this task seriously and give your honest opinion about what you found good and bad about this course.

**Grading Criteria**

Grades will be determined in the following proportions**: 30% Homeworks, 35% Midterm, and 35% Final.** Included in the Handouts are review questions for the Midterm and Final Exams – the student would be well advised to be able to answer these questions to be fully prepared for the exams. Grades on exams will be curved slightly according to the class performance; however, the grade cutoffs will not deviate much from the traditional 90%, 80%, etc. grade threshold.

**Miscellaneous Information:**

1. The Economics Dept. provides tutoring services for Principles students. See tutoring schedule and Zoom invitation at the end of this syllabus.

2. Note that my lecture notes (“Lecture Notes”) are available on D2L in the “Lectures” tab. I also provide video presentations of my lecture topics – see the weekly topics in the Contents tab in D2L.

3. 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.

4. 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, talk to me.

**Submitting Weekly Homework Assignments**

All weekly homework assignments are to be handed in digitally through the “Submissions” tab in D2L *before class begins at 1:30pm on the due dates (D2L’s Submissions tab closes at 1:30pm)*. **Since D2L can only compile DOCX, JPEG, and PDF file formats, you must format your submitted assignments in one of these two formats.** **Only these types of file formats will be accepted for credit.** Since most of the assignments are multiple choice, your submissions need only include the question number and your answer -- however, Homework #3 will require entire sheets of written answers. If you have any questions, feel free to contact me BEFORE the due date for those assignments.

**Submitting Midterm and Final Exams**

Your answer sheets for both the Midterm and Final Exams must be submitted into the “Submissions” tab in D2L **by 11:59pm on the due date of each exam (i.e., 5/8/25 for the Midterm, 6/7/25 for the Final).** **Again, you must submit your answer sheets in the DOCX, JPEG, or PDF file format only.**

**Course Calendar (more details on course materials in Table Two on the following page)**

The unit of instruction is the week. Table One below contains a calendar of due-dates for assignments.

**TABLE ONE**

**CLASS SCHEDULE**

|  |  |  |
| --- | --- | --- |
| **WEEK #** | **START** | **Topic/ASSIGNMENT DUE** |
| **1** | Start 3/31/25 | Prod. Possibilities and Growth |
|  |  | **Hwk #1 due 4/7/25** |
| **2** | Start 4/7/25 | Gains from Trade |
|  |  | **Hwk #2 due 4/14/25** |
| **3** | Start 4/14/25 | Market Analysis |
|  |  | **Hwk #3 due 4/23/25** |
| **4** | Start 4/23/25 | Elasticity |
|  |  | **Hwk #4 due 4/30/25** |
| **5** | Start 4/30/25 | Consumer Theory |
|  |  | **No Homework due!** |
| **6** | **MIDTERM EXAM**  **Distributed on 5/5/25** | **Midterm exam**  **due 5/8/25 by 11:59pm** |
| **7** | Start 5/12/25 | Production and Costs |
|  |  | **Hwk #5 due 5/19/25** |
| **8** | Start 5/19/25 | Competitive Markets |
|  |  | **Hwk #6 due 5/28/25** |
| NO CLASS 5/26/25 (Memorial Day) | | |
| **9** | Start 5/28/25 | Monopoly |
|  |  | **Hwk #7 due 6/4/25** |
| 10 | Start 6/4/25 | Imperfect Competition  Market Failure |
| **11** | **FINAL EXAM**  **Distributed on 6/4/25** | **Final Exam**  **due 6/7/25 by 11:59pm** |

**TABLE TWO**

**COURSE MATERIALS & SCHEDULE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **WEEK** | **TOPIC** | **READINGS\*** | **LECTURE NOTES &VIDEO\*\*** | **HOMEWORK** |
| **1** | Scarcity and the Prod.Poss.;  Economic Growth | Production Poss. and the Law of Diminishing Returns | Intro and the Scarcity Problem  Production Possibilities | Homework #1 |
| **2** | Gains from Trade | Exercise in Trade  Costs of Trump’s Tariffs  Protect Jobs from Foreign Competition | Gains from Trade | Homework #2 |
| **3** | Law of Supply and Demand  Price Controls | Law of Supply and Demand  Review of Market Analysis  How Much Do Price Controls Cost Us?  Minimum Wage by State 2019 | Market Analysis  Price Controls | Homework #3 |
| **4** | Elasticity | Elasticities in the News  State Excise Taxes on Cigarettes | Elasticity | Homework #4 |
| **5** | Rule of Rational Life  Consumer Theory | It Pays to Get a College Degree  Why you are at DePaul  Highest and Lowest Pay College Major | Consumer Theory |  |
| **6** | **MIDTERM distributed 5/5/25**  **(due 5/8/25 by 11:59pm)** | | | |
| **7** | Production and Cost Theory | Production Theory  Why Implicit Costs Matter | Production Theory  Cost Theory | Homework #5 |
| **8** | Pure Competition | Long-run Competitive Equilibrium | Competitive Mkt Structure | Homework #6 |
| **9** | Monopoly;  Competition vs. Monopoly | Monopoly Pricing: Freight Rail Prices  More Problems: Competition vs. Monopoly | Monopoly Mkt Structure | Homework #7 |
| **10** | Imperfect & Market Failure | Calculating Concentration Ratios  OPEC Has a Hard Time Controlling Itself | Imperfect Comp. Mkt Structures  Market Failure |  |
|  | **FINAL EXAM distributed 6/4/25**  **(due 6/7/25 by 11:59pm)** | | | |

\* **refers to Readings in D2L in Course Documents**

**\*\* refers to Lecture Notes and Lecture Videos in D2L**