

Chaminade University
Honolulu, Hawaii 96816

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Sy la bus for EC202
Principles of MicroEconomics
Instructor: Dr. Klauser
Office Hours: Daily. Office is
located in Kieffer Hall.

COURSE TITLE: Principles of Micro Economics

TEXT: Roger LeRoy Miller, Economics Today: The Micro View, 9th ed.

Supplementary readings:

Brue & Wentworth, Economic Scenes: Theory in Today's World, 5th ed.

I. COURSE OBJECTIVES: This course will introduce students to economic principles and analysis that deal with how prices allocate scarce resources among alternative uses. Specifically, we will study:

1. The interaction of supply and demand to determine market prices, and the effects of interference with the price system.
2. The theory and costs of production.
3. The pricing and output decisions by firms under various market conditions, such as perfect competition, imperfect competition, and monopoly.
4. The theory of pricing of labor; collective bargaining; and distribution of income.
5. The theory of international trade.
6. The course will conclude with an analysis of when we can rely on the free market to allocate resources efficiently, and when we can not do so.

II. MAJOR ASSIGNMENTS: 1. The Department of Economics requires punctual and regular class attendance from all students enrolled in economics courses. Also, students are asked to arrange with the Instructor beforehand if for unavoidable reasons the student **must** leave class early.

2. Students are expected to keep up with the assigned readings, as indicated on this syllabus. In addition to the assigned readings, students should also read economic articles in our daily newspapers and magazines that deal with issues discussed in class.



Chaminade University

O F H O N O L U L U

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General Catalog

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Attendance

Students are expected to attend regularly all courses for which **they** are registered. **They should notify their instructors when** illness prevents them from attending class and make arrangements to complete missed assignments. When illness or personal reasons necessitate continued absence, the student should withdraw officially from all affected courses.

Anyone who stops attending a **course** without **official** withdrawal may receive a failing grade.

Three or more unexcused absences may lead to a grade reduction for the course.

Long-term unexcused absence may lead to loss of financial aid. Any absence of two weeks or more must be reported to the Dean of Arts and Sciences and the Registrar by the instructor. Federal regulations require continued attendance for continuing payment of financial aid. If attendance is not continuous, financial aid maybe terminated.

Grades

Letter grades are given in all courses except those taken on a credit/no credit basis. Grades are **calculated from** the student's daily work, class participation, **quizzes**, tests, term papers, reports, and the final examination. They are interpreted as follows.

- A Outstanding scholarship and an unusual degree of intellectual initiative.
- B Superior work done in a consistent and intellectual manner.
- C Average grade indicating a competent grasp of subject matter.
- D Inferior work of the lowest passing grade, is not satisfactory for **fulfillment** of prerequisite coursework
- F Failed to grasp even the minimum subject matter; no credit given.
- FA Failure due to absence.
- P **Satisfactory** completion of course.
- W **Withdrawal** before published deadline.

3. Students are expected to do the homework writing assignments and take the tests and examinations as scheduled. Exceptions are allowed only if the student gets the Instructor's permission beforehand

Written homework assignments must be typed or printed, and must be turned in on the due date. A penalty will be assigned for lateness.

The purpose of the homework writing assignments is to encourage you to practice and improve your writing skills, to express your thoughts in writing in a clear and concise manner, to develop your analytical ability, and to apply economic concepts to real-world issues and problems.

Writing is not an easy task. It takes time and effort and lots of practice. It is only through rewriting that your essays will attain the polish we expect from economics students.

II. GRADING POLICY: The grading policy of Chaminade University as stated in the General Catalog will be followed.

Grades will be based *on* the following:

1st Test	100 Points
2nd Test	100 Points
3rd Test	100 Points
Final Examination	100 Points
15 Written Homework Assignments	100 Points
 TOTAL	 500 Points*

* 5 Points will be subtracted for each unexcused class absence, or lateness.

Students are encouraged to meet with the Instructor in his office to discuss problems they may have with their studies. The Instructor is available daily. His office is located in Kieffer Hall. Office telephone extension is 611. (Phone: 739-4611).

1998

12 Jan

Introduction to Economics What does economics deal with? Why do we have an **economic** problem?' First Law of Economics: *THE LAW OF SCARCITY*.

Assignments: Miller Ch. 1, **pp.3-15**. Also read the little booklets Your Economic Life, that comes with your text.

Throughout the semester, the student should study the assignments in the Miller text carefully. In particular, read carefully the **Discussion of Preview Points** at the end of each chapter. The preview points, in addition to helping you learn economics, should help you to learn **how** to write essay answers to economic questions.

Supplementary readings Brue and Wentworth, Ch.1. (Brue and Wentworth is on reserve in the Library).

14 Jan

What economic problem does every society face?

Assignments: Miller, Ch. 2, **pp.17-35**. (If you are weak on reading and working with graphs, study Appendix A pp.38-44).

Brue and Wentworth, **Ch.2**. (On reserve in the library).

Do Writing Assignment #1: **ue** 16 Jan 1998

In addition to the lectures and the readings in the text the **student should** find studying the supplementary readings in the Brue and Wentworth book useful in answering the essay questions.

16 Jan

What are the various economic systems by which the three basic economic problems can be resolved?

Assignments: Miller Ch. 6, pp. 116-136.

21 Jan

What type of economic system do we have in the United States? Why do we not have a laissez faire economic system?

Assignments: Brue and Wentworth **Ch.3**.

Do Writing Assignments #2. Due 23 January 1998

23 Jan

How do prices come about in a market economic **system**?

26 Jan

What is the Law of Supply and Demand?

Assignments: Miller Ch. 3, **pp.45-71**.

o Writing Assignment #3: Due 30 Jan 1998

28 Jan

30 Jan

Application of the Law of Supply and Demand.

Assignments: Miller Ch.4, **pp.73-93**. Brue and Wentworth **Ch.4**.

Do Writing Assignment #4: Due 30 Jan 1998.

2 Feb

4 Feb

Theory of Consumer Behavior: The Law of **Diminishing** Marginal Utility.

Assignments: Miller Ch. 19, **pp.413-427**.

Do Writing Assignments 15: Due 4 Feb 1998

6 Feb Price Elasticity of Demand and Price Elasticity of Supply
9 Feb
11 Feb **Assignments:** Miller Ch.20, pp.439-459; and Brue and
Wentworth Ch.5.

Do Writing Assignment #6s Due 11 Feb 1998

13 Feb **FIRST TEST**

II. THE PRODUCT MARKET

16 Feb **The Organization of Firms.**

Assignments: Miller Ch.21, pp. 461-477.

Do Writing Assignment #7s Due 23 Feb 1998

20 Feb Principles of Production, and Costs of Production.

23 Feb

25 Feb **Assignments:** Miller Ch. 22, pp.481-507.

Do Writing Assignment #8: Due 25 Feb 1998

27 Feb Analysis of Perfect Competition.

2 Mar

Assignments: Miller Ch.23, pp.508-530

Do Writing Assignment #9: Due 2 March 1998

4 Mar

Analysis of Monopoly.

6 Mar

Assignments: Miller Ch.24, pp.533-554.

Do Writing Assignment #10: Due 6 March 1998

9 Mar

**Analysis of Imperfect Competition: Monopolistic
Competition and Oligopoly.**

11 Mar

13 Mar

Assignments: Miller Ch. 25, pp.557-581.

16 Mar

SECOND TEST

III. THE LABOR MARKET

18 Mar

Analysis of the Labor Market under Competition.

20 Mar

30 Mar

Assignments: Miller Ch.27 pp.605-626; and pp.639-645.

Do Writing Assignments #11 and #12: Due 30 March 1998

1 Apr

Unions and Collective Bargaining

3 Apr

Assignments: Miller Ch.28, pp.628-638.

Apr 6
Apr A

Income Distribution and Poverty.

THE INTERNATIONAL TRADE SECTOR

Should nations trade with each other? What is the Law of

IV. THE INTERNATIONAL TRADE SECTOR

13 Apr Should nations trade with each other? What is the Law of Comparative Advantage?

17 Apr What are the results of trade restrictions such as tariffs and quotas?

20 Apr What are: WTO; NAFTA; APEC; EC; IMF; World Bank?

Assignments: Miller Ch. 33, pp.733-750. Also read the booklet on international trade and finance that will be given out in class.

Do Writing Assignment #14: Due 20 April 1998

V. MARKET FAILURES

Our national micro-economic goals are to achieve efficient allocation of our scarce resources, (Pareto Optimum) In this final section of our course, we will study when we can rely on the free market (laissez faire market) to achieve efficient allocation of resources from society's point of view, and when we can NOT rely on the free market to achieve efficient allocation of resources (Pareto Optimum)?

A good introduction to the role of government in our economy is provided by Miller Ch. 5, pp.95-114. Read these pages as an introduction to the economic functions of government.

22 Apr Market failures due to Monopoly and public policy options to deal with this market failure.

Assignments: Miller Ch. 26, pp.583-600.

24 Apr Market failures due to Consumer lack of information and public policy options to deal with this market failure.

Assignments: Will be assigned in class.

27 Apr Market failures due to Public Goods and public policy options to deal with this market failure.

Assignments: Brue and Wentworth Ch. 11.

29 Apr Market failures due to Externalities and public policy options to deal with this market failure.

Assignments: Miller Ch. 31, pp. 694-709.

Do Writing Assignment #15: Due 1 May 1998

1 May Public Choice theory and issues dealing with government involvement in our economy.

Assignments: Miller Ch. 32, pp.711-728.

May 7 10:30 to 12:30 FINAL EXAMINATION
