

**ECON 202 PRINCIPLES OF MICROECONOMICS
CHAMINADE UNIVERSITY
JULY 7 -SEPTEMBER 8, 1998
BARBERS POINT NAS BLDG. 50
Tuesdays @ 1730-2140**

INSTRUCTOR

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[Email: teney@msn.com](mailto:teney@msn.com); office hours: 0800-1700, Monday-Friday (except Holidays). Please feel free to discuss any serious questions or problems you may have regarding this course.

ATTENDANCE, LATENESS, LEAVE EARLY, OR ABSENCE

Punctual and regular attendance is required to fulfill course requirements, but also to allow each student in the class the maximum achievable benefits. If work related schedule conflicts occur, please give as much advance notice as possible to allow you make up opportunities to ensure your timely completion of this course. Every student will be required to take all tests and exams as scheduled. Exceptions will be allowed only if prior requests are made and approved, at which time every effort will be made to satisfy all assignments and tests within the designated term.

It may become necessary in the event of an emergency to reschedule a class. If this is necessary, contact will be made through the number that you designate.

Only registered students may attend and participate in classes.

GRADING

Alphabetized grades will be given based on the following areas as quantified:

TESTS (3 EACH)	20% each
FINAL EXAM	30%
HOMEWORK and discussion	10%

The grading criteria as stated in the Chaminade undergraduate catalog are as follows:

A=Outstanding scholarship and an usual degree of intellectual initiative

B=Superior work done in a consistent and intellectual manner

C=Average grade indicating a competent grasp of the 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

I=Did not complete a small portion of the work or final examination due to circumstances beyond the student's control. An "I" is not automatically granted. Every effort must be made by the student and the instructor to complete the course and evaluate the student's work prior to 90 days after the end of the term

CLASS PARTICIPATION, HOMEWORK. AND READING ASSIGNMENTS

The maximum benefit from this course can only come from active and constructive classroom dialogue. It is also a primary means of subjectively assessing the progress of the student and the proper focus of the course.

It is important to conscientiously do homework and reading assignments to sharpen writing and deductive skills, stay competitive and enhance learning.

ECONOMICS 202
PRINCIPLES OF MICROECONOMICS

TEXT: Economics Today .. the **Micro** View, Roger LeRoy Miller; 9th Edition

Course Objectives: to introduce microeconomics, decision making principles and analysis that deal with how prices allocate scarce resources among alternative uses and the practical effects on the business environment Specific areas of focus include:

- e interaction of supply and demand to determine market prices, and the effects of variables upon this price system,
- e theory and costs of production
- e pricing and output decisions firms make under various market conditions such as perfect competition, imperfect competition, and monopoly,
- e theory of **international** trade
- e an analysis of when the free market allocates resources **efficiently**, and under what circumstances it cannot.

1. INTRODUCING MICROECONOMICS

July 7 Read: Text Chapter 1; Your *Economic Life* (booklet); homework assignment #1 due July 14

Introduction, philosophical approach to the study of economics; what economics deals with; definition of micro vs. **macro** economics; important basis for economics systems; "rational self **interest**"; the law of **scarcity**

Note: It would be advisable to study the questions at the end of each chapter in the text, with particular emphasis on the section Discussion of Preview Questions. Some of the Problems will be assigned as **homework**.

Read: Chapter 2; Appendix A (p. **38-44**); homework assignment #2 due July 14

What economic problem(s) must every society and individual face?

Read: Chapter 3; homework assignment #3 due July 14

How are prices established in a market economic system? The law of supply and demand.

July 14 Read: Chapter 4; homework assignment #4 due July 21

Applications of the Law of Supply and Demand

Read: Chapter 6; **homework** assignment #5 due July 21

What type of economic system exists in the USA? Why do we not have a laissez faire **economic** system?

Read: Chapter 19; homework assignment #6 due July 21

Theory of consumer behavior, Law of Diminishing Marginal Utility

July 21 Read: Chapter 20; homework assignment #7 due July 28

Price Elasticity of Demand and of Supply; review material to date; TEST #1

II. THE PRODUCT MARKET

July 28 Read: Chapter 21; homework assignment #8 due Aug 4

The organization of firms

Read: Chapter 22, homework assignment #9 due Aug 4

Principles and costs of production

Read: Chapter 24; homework assignment #10 due Aug 4

Analysis of a monopoly

Aug 4 Read: Chapter 23; homework assignment #11 due Aug 11

Analysis of Perfect Competition

Read: Chapter 25; homework assignment #12 due Aug 11

Analysis of Imperfect Competition, monopolistic competition and Oligopoly; TEST #2

III. THE LABOR MARKET

Aug 11 Read: Chapter 27; homework assignment #13 due Aug 18

Analysis of the **Labor** Market under competition

Read: Chapter 28; homework assignment #14 due Aug 18

Unions and collective bargaining

Read: Chapter 30; homework assignment #15 due Aug 18

Income **Distribution** and **Poverty**

IV. INTERNATIONAL TRADE

Aug 25 Read: Chapter ~~33~~, homework ~~assignment #16 due Sep 1~~

Why should nations **trade** with each other? Law of Comparative **Advantage**; what are the results of trade restrictions? What are **WTO**, NAFTA, APEC, EC, IMF, World Bank and what do they do? TEST **#3**.

V. MARKET FAILURES

Read: Chapter 5

Our national **microeconomic** goals are to achieve efficient allocation of scarce resources (pareto optimum). We will study when we can rely on the free (laissez faire) market to achieve **efficient** allocation of resources from **society's** point of view, and when we cannot so rely.

Sep 1 Read: Chapter 26

Market failures due to monopoly and public policy options used to deal with the market failure; failures due to consumer ~~lack~~ of information and a public policy to deal with this market failure; failures due to public good and public policy options used to deal with this market failure

Read: Chapter 31

Market failures due to externalities and public policy options used to deal with this market failure

Chapter 32

Public choice theory and issues dealing with government involvement in our economy

Sep 8 FINAL REVIEW AND EXAMINATION