

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: BU24201 MWF 10-10:50
Principles of MicroEconomics
Instructor: Dr. Klauser
Office Hours: MWF 9-10 am or by
Appointment. Office is in Kieffer Hall

COURSE TITLE: Principles of Micro Economics

TEXT: Roger LeRoy Miller, Economics Today: The Micro View, 1999-2000 ed.

Supplementary readings:

Brue b Wentworth, Economic Scenes: Theory in Today's World. 5th e4.

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 labors 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 T Y L Y

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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 **Records** Office by the instructor. **Federal regulations** require continued **attendance for** continuing **payment of financial** aid. If attendance is not **continuous**, financial aid may be 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, not satisfactory for **fulfillment** of prerequisite course work.
- 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.
- I Did not complete a **small** portion of the work or **final** examination due to circumstances beyond the student's **control**.
- IP In Progress; **primarily** used for thesis **completion**.
- AU Audit.
- CR/NC Credit/no credit.

The issuance of an 'I' grade is not automatic. Prior to **reporting** of grades a contract must be made between the student and the instructor for the completion of the course. **Sufficient** time should be allowed to permit completion of the work, **evaluation**, and reporting of the final grade within 90 days after the end of the **semester or** term. This limit may not be extended. If a new grade for the course is not submitted by the instructor prior to the deadline, the alternate grade indicated in the contract **will** be recorded

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

III. 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

TOTAL: 400 Points

5 Points will be subtracted from your total points 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).

1999

Aug 30 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.3-16**. Also read the little booklet: Your Economic Life, that comes with **your** text (if you bought a new text).

The Miller Economics Today Web site: www.econtoday.com, provides on-line student **quizzes** and practice exams. Students are urged to use this learning tool.

Sep 1 What economic problems does every society face?

Assignments: Miller **Ch.2 pp.17-44**. Brue & Wentworth **Ch2** (On Reserve in the Chaminade Library).

Sep 8 What are the various economic systems by which the three basic economic problems can be resolved?

Assignments: Miller Ch. 6 **pp.116-138**.

Sep 10 What type of economic system do we have in the U.S.? Why do we not have a laissez faire economic system **anymore**?

Assignments: **Brue & Wentworth Ch.3** (On Reserve in the Library).

Sep 13 How do prices come about in a market economic system? What is the Law of
Sep 15 Demand and Supply?

Assignments: Miller Ch. 3 **pp.45-72**.

Sep 17 Application of the Law of Demand and Supply.
Sep 20

Assignments: Miller Ch. 4 **pp.73-93**. Brue & Wentworth **Ch.4**.
Also do the **homework** exercises that will be given out in class.

Sep 22 Theory of Consumer Behavior: The Law of Diminishing Marginal Utility.
Sep 24

Assignments: Miller Ch. 19 **pp.413-428**.
Also do the homework **exercises** that will be given out in class.

Sep 27 Price Elasticity of **Demand** and Price Elasticity of Supply.
Sep 29
Oct 1

Assignments: Miller **Ch.20 pp.439-460**. Brue & Wentworth **Ch.5**.
Also do the homework **exercises** that will be given out in class.

Oct 4 **FIRST TEST**

II. THE PRODUCT MARKET

Oct 6 The **Organization of Firms**.

Assignments: Miller **Ch.21** pp. 461-478.

Oct 8 Principles of Production and Costs of Production.

Oct 13

Oct 15

Assignments: Miller Ch. 22 **pp.481-507**.

Also do the homework exercises that will be given out in **class**.

Oct 18 Analysis of Firm's behavior under Perfect Competition.

Oct 20

Assignments: Miller **Ch.23** **pp.508-532**.

Also do the homework exercises that will be given out in class.

Oct 22 Analysis of Firm's behavior under Monopoly.

Oct 25

Assignments: Miller **Ch.24** **pp.533-556**.

Also do the homework exercises that will be **given** out in class.

Oct 27 Analysis of Imperfect Competition: Monopolistic Competition and Oligopoly.

Oct 29

Assignments: Miller Ch. 25 **pp.557-582**.

Nov 1 **SECOND TEST**

III. THE LABOR MARKET

Nov 3 Analysis of the Labor Market.

Nov 5

Nov 8

Nov 10

Assignments: Miller Ch. 27 **pp.605-627** and **pp.639-643**.

Nov 12 Unions and Collective Bargaining.

Nov 15

Assignments: Miller **Ch.28** **pp.628-638** and **pp.644-648**.

Nov 17 Income Distribution and Poverty.

Nov 19

Assignments: Miller Ch. 30 **pp.666-693**.

Nov 22 **THIRD TEST**

Nov 2 4 Should ~~nations~~ trade with each Other? ~~What is the~~ Law of Comparative Advantage?

Nov 2 9 What are the results of trade restrictions such as tariffs and quotas?

Dec 1 What are: WTO; NAFTA; EU; IMF; World Bank?

Assignments: Miller Ch. 33, pp.733-752. Also read the booklet on international trade and finance that will be given out in class.

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 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.95-115. Read these pages as an introduction to the economic functions of government.

Dec 3 Market failures due to Monopoly and public policy options to deal with this market failure.

Assignment: Miller Ch. 26 pp.583-601.

Dec 6 Market failures due to Consumer lack of information and public policy options to deal with this market failure.

Assignments: Will be assigned in class.

Dec 6 Market failures due to ~~to~~Public Goods and public policy options to deal with this market failure.

Assignments: Brue & Wentworth Ch. 11,

Dec 8 Market failures due to Externalities and public policy **options** to deal with this market **failure**.

Assignments: Miller Ch. 31 pp.694-710.

Dec 10 Public Choice Theory.

Assignments: Miller Ch. 32 pp.711-730.

Thursday **FINAL EXAMINATION**
Dec