

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: **BU24201** MWF 10-10:30
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 & Wentworth,

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 I X O M O L Y I V

1998-99
General Catalog
Vol. 43

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

S 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**).

Aug 2 8 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.

Aug 3 0 What economic problems does every society face?

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

Sep 6 What are the various economic systems by which the three basic economic problems can be resolved?

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

Sep 8 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 11 How do prices come about in a market economic **system? What is the Law** Of Demand and Supply?

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

Sep 15 Application of the Law of Demand and Supply.
18

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

Sep 20 Theory of Consumer Behavior: The Law of Diminishing Marginal Utility.
22

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

Sep 2 5 Price Elasticity of Demand and Price Elasticity of Supply.
27

2 9 **Assignments:** Miller **Ch.20 pp.439-460**. Brue & Wentworth **Ch.5**.
Also do the homework exercises that will be given out in class.

Oct 2 F T **TEST**

IV. THE INTERNATIONAL TRADE SECTOR

- Nov 27 Should nations trade with each other? What is the Law of Comparative Advantage?
- Nov 29 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 oily *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 4 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 **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**.

Public Choice Theory.

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

II. THE PRODUCT MARKET

Oct 4 The Organization of Firms.

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

Oct 6 Principles of Production and Costs of Production.

11
13

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

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

Oct 16 Analysis of Firm's behavior under Perfect Competition.

18

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

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

Oct 20 Analysis of Firm's behavior under Monopoly.

23

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

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

Oct 25 Analysis of Imperfect Competition: Monopolistic Competition and Oligopoly.

27

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

Oct 30 **SECOND TEST**

III. THE LABOR MARKET

Nov 1
3 Analysis of the Labor Market.

6

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

Nov 13 Unions and Collective Bargaining.

15

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

Nov 17 Income Distribution and Poverty.

20

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

Nov 22 **THIRD TEST**