

Chaminade University
Honolulu, Hawaii 96816

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

Berg &
SDO
Ply

COURSE TITLE Principles of Micro **Economics**

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



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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** a **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** a term. This limit **may** **be extended**. **If a new grade for** a 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
3 rd 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).

Spring Semester
2000

- Jan 19 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.
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- Jan 21 What economic problems does every society face?
- Assignments: Miller **Ch.2 pp.17-44**. Brue & Wentworth **Ch2** (On Reserve in the Chaminade Library).
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- Jan 24 What are the various economic systems by which the three basic economic problems can be resolved?
- Assignments: **Miller Ch. 6 pp.116-138**.
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- Jan 26 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**).
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- Jan 28 How do prices come about in a market economic system? What is the Law of
Jan 31 Demand and Supply?
- Assignments: Miller Ch. 3 **pp.45-72**.
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- Feb 2 Application of the Law of Demand and **Supply**.
Feb 4
- Assignments: Miller Ch. 4 **pp.73-93**. Brue & Wentworth **Ch.4**.
Also do the homework exercises that will be given out in class.
- Feb 7 Theory of Consumer Behavior: The Law of Diminishing Marginal Utility.
Feb 9
- Assignments: Miller Ch. 19 **pp.413-428**.
Also do the homework exercises that will be **given** out in class.
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- Feb 11 Price Elasticity of Demand and Price **Elasticity** of Supply.
Feb 14
Feb 16
- Assignments: Miller **Ch.20 pp.439-460**. Brue & Wentworth **Ch.5**.
Also do the homework exercises that **will** be **given** out in **class**.
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- Feb 18 **FIRST TEST**
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II. THE PRODUCT MARKET

Feb 2 3

The Organization of Firms.

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

Feb 2 5

Principles of Production and Costs of Production.

Feb 28

Mar 1

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

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

Mar 3

Analysis of Firm's behavior under **Perfect** Competition.

Mar 6

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

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

Mar 8

Analysis of Firm's behavior under Monopoly.

Mar 10

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

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

Mar 13

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

Mar 15

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

Mar 17

SECOND TEST

III. THE LABOR MARKET

Mar 2 0

Analysis of the Labor Market.

Mar 22

Mar 24

Apr 3

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

Apr 5

Unions and Collective Bargaining.

Apr 7

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

Apr 10

Income Distribution and Poverty.

Apr 12

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

Apr 14

THIRD TEST

Apr 17 Should nations trade with each other? What is the Law of Comparative Advantage?

Apr 19 What are the results of trade restrictions such as tariffs and quotas?

Apr 24 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. S pp.95-115. Read these pages as an introduction to the economic functions of government.

Apr 26 Market failures due to Monopoly and public policy options to deal with this market failure.

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

Apr 28 Market failures due to Consumer lack of information and public policy options to deal with this market failure.

Assignments: Will be assigned in class.

May 1 Market failures due to **Public** Goods and public policy options to deal with this market **failure**.

Assignments: Brue & Wentworth Ch. 11.

May 3 Market failures due to Externalities and public policy options to deal with this market failure.

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

May 5 Public Choice Theory.

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

Th May 11
10:30 to

FINAL EXAMINATION