

Chaminade University
Honolulu, Hawaii 96816

BU24201 Fall 2001
Principles of Microeconomics

INSTRUCTOR: Barbara P. Street, Ph.D.
Office Hours: MWF 1:00-2:00, Tr 11:00 - 12:30 pm or by appointment
Kieffer Hall Room 14 Cubicle CC
Phone: 739-4609 (office) 377-5865 (home)

COURSE TITLE: Principles of Microeconomics

TEXT: Roger Leroy Miller, *Economics Today: The Micro View*, 2001-2002 ed.

COURSE DESCRIPTION: Analysis of the functioning of a market economy and how the market forces allocates scarce resources; basics of supply and demand; theory of pricing under competition, monopoly, and imperfect competition; government interference in the market system, and international trade.

COURSE GOALS: The world is largely a market-oriented economy. Businesspeople, consumer, and even governments, all operate in a market economy, where prices, interest rates, profits, production levels, and employment levels change. Unemployment, inflation, recession, interest rates, deficits, are recurring headlines in our daily newspapers and magazines. This introductory economics course is designed to provide the foundation of micro-economic knowledge that every person should have to make the economic decisions that confront us in our daily lives.

COURSE OBJECTIVES: At the conclusion of this course the student will be able to

1. Explain the prevalence of scarcity and the role of economics in dealing with it.
2. Demonstrate an understanding of the workings of supply and demand and the price mechanism.
3. Use knowledge of the theory and costs of production to explain pricing and production decisions of businesses.
4. The student will be able to explain the theory of pricing of labor, discuss the workings of and impact of collective bargaining, and explain the forces determining the distribution of income.
5. The student will be able to explain the basis for international trade, and the impact trade has upon domestic and the global economy.
6. The student will be able to discuss when the markets can be relied upon and when government should intervene in those markets. as: supply and demand; market structure; resource allocation; regulation; allocating factors of production; distribution of income ; and international trade.

MAJOR ASSIGNMENTS:

1. Prompt and regular attendance is expected of all students. For each absence above 3, 5 points will be deducted from those 50 points allotted to attendance / participation.
2. Students are expected to keep up with the reading assignments as listed on the syllabus.
3. Students are expected to turn in written homework assignments when due. Late work may NOT be accepted, and will be assessed a penalty of 1 point per day late when it is accepted. After homework assignments have been graded, the correct answers will be available on the Chaminade 11M M. Once the answers have been posted, work will not be accepted for credit.
4. Students are expected to either participate in a fund-raising activity applying the theory learned in this class in the real world or write a 10 page research paper on some element of microeconomics. The instructor must pre-approve the topic. Those students participating in the fund-raising activity will submit a one- page paper detailing their involvement in the project and how this involvement illustrated the principles learned in this class. Please note that ALL written assignments must meet the standards presented in EN 101 and 102 courses. Grammar, spelling and punctuation DO count! Guidelines for the fund-raising project will be issued separately.
5. Make-up exams and quizzes will NOT be given unless the student has notified the instructor BEFORE the test is administered that he/she will be unable to take the exam with the class.

GRADING POLICY:

Course grades will be based on the following:

1st midterm	100 points	A: 540-600 points
2nd midterm	100 points	B: 480-539 points
quizzes	50 points	C: 420-479 points
homework	100 points	D: 360-419 points
fundraising/paper	100 points	E: below 360 points
attendance/participation	50 points	
FINAL EXAM	100 points	
TOTAL	600 points	

COURSE OUTLINE

PART I: INTRODUCTION TO BASIC ECONOMIC CONCEPTS

- Aug 27*** Introduction to course. Law of Scarcity.
- Aug 29*** Choices in Using Scarce Resources
Reading Assignment: text, chap 2 top. 32
- Aug 31*** Choices in Using Scarce Resources
Reading Assignment: text, chap 2 to end
- Sept 5*** *TO TURN IN. HOMEWORK SET #1*
Supply and Demand
Reading Assignment: text, chap. 3 top. 62
- Sept 7*** Supply and Demand Continued
Reading Assignment: text, chap 3 to end
- Sept 10*** *TO TURN IN: HOMEWORK SET #2*
Applications of Supply and Demand
Reading Assignment: text, chap. 4 top. 82
- Sept 12*** Application of Supply and Demand
Reading Assignment: text, chap. 4 to end
- Sept 14*** *TO TURN IN. HOMEWORK SET #3*
Theory of Consumer Behavior: The Law of Diminishing Marginal Utility
Reading Assignment: text, chapter 19 top. 461
- Sept 17*** Theory of Consumer Behavior: The Law of Diminishing Marginal Utility
Reading Assignment: text, chapter 19 to end
- Sept 19*** *TO TURN IN. HOMEWORK SET #4*
Price Elasticity of Demand
Reading Assignment: text, chap. 20 to page 496
- Sept 21*** Price Elasticity of Supply
Reading Assignment: text, chap. 20 to end

Sent 24 **TO TURN IN: *HOMework* SET #5**
HOMEWORK REVIEW

Sept 26 *FIRST MIDTERM*

PART II: THE PRODUCT MARKET

Sept 28 The Organization of Firms
Reading Assignment: text, chap. 21 to p. 540

Oct 1 Principles of Production and Costs of Production
Reading Assignment: text, chap 22 top. 546

Oct 3 Principles of Production and Costs of Production
Reading Assignment: text, chap 22 top. 552

Oct 5 Principles of Production and Costs of Production
Reading Assignment: text, chap 22 to end.

Oct 10 PRODUCTION PROJECT

Oct 12 *TO TURN IN: HOMEWORK SET #6*
Perfect Competition
Reading Assignment: text, chap 23 top. 574.

Oct 15 Perfectly Competitive Markets
Reading Assignment: text, chap 23 to end.

Oct 17 Monopoly
Reading Assignment: text, chap 24 top. 597.

Oct 19 Monopolistic Markets
Reading Assignment: text, chap. 24 to end.

Oct 22 Imperfect Competition: Monopolistic competition
Reading Assignment: text, chap. 25 top. 618.

Oct 24 Imperfect Competition: Oligopoly
Reading Assignment: text, chap. 25 to end.

Oct 26 *TO TURN IN: HOMEWORK SET #7*
HOMEWORK REVIEW

Oct 29 MIDTERM EXAM 2

Part III: THE LABOR MARKET

- Oct 31 *Analysis of the Labor Market*
Reading Assignment: text, chap. 27 top. 673
- Nov 2 *Wage Determination*
Reading Assignment: text, chap. 27 to p.678
- Nov 5 *Monopolistic Markets; markets for other factors*
Reading Assignment: text, chap. 27 to end
- Nov 7 *TO TURN IN. HOMEWORK SET #8*
Unions and Collective Bargaining
Reading Assignment: text, chap. 28 to pg. 698
- Nov 9 *Issues in Union studies*
Reading Assignment: text, chap. 28 to end
- Nov 14 *Income Distribution*
Reading Assignment: text, chap. 30 top. 742
- Nov 16 *Altering Distribution of Income*
Reading Assignment: text, chap. 30 to end
- Nov 19 *TO TURN IN: HOMEWORK SET #9*
Your Future with Social Security
Reading Assignment: text, chap. 6
- Nov 21 *To be Determined*

IV. THE INTERNATIONAL TRADE SECTOR

- Nov 26 *Why Nations Trade*
Reading Assignment: text, chap. 32 top. 790
- Nov 28 *Why and How Nations Restrict Trade*
Reading Assignment: text, chap. 32 to end
- Nov 30 *Why and How Nations Restrict Trade*
Reading Assignment: text, chap. 32 to end
- Dec 3 *Why Nations Trade*
Reading Assignment: text, chap. 32 top. 790