

Chaminade University
Honolulu, Hawaii 96816

BU24201 Fall 2002
Principles of Microeconomics

INSTRUCTOR: Barbara P. Street, Ph.D.
Office Hours: MWF 11-12 noon, or by appointment
Kieffer Hall Room 22
Phone: 739-4609 (office)

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.

III. 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 Intranet. Once the answers have been posted, work will not be accepted for credit.
4. Students are expected to participate in a fund-raising activity applying the theory learned in this class in the real world. The class will be divided up into 5 teams, each of which is responsible for developing an activity to raise funds for a non-profit organization chosen by the class. Each student will submit a one or two 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: 550-495 points
2nd midterm	100 points	B: 494-440 points
homework	100 points	C: 439-385 points
fundraising/paper	100 points	D: 384-330 points
attendance/participation	50 points	F: below 330 points
FINAL EXAM	100 points	
TOTAL	550 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
- Sept 3**
TO TURN IN: HOMEWORK SET #1
Supply and Demand
Reading Assignment: text, chap. 3
- Sept 5** **TO TURN IN: HOMEWORK SET #2**
Applications of Supply and Demand
Reading Assignment: text, chap. 4
- Sept 10** **TO TURN IN: HOMEWORK SET #3**
Theory of Consumer Behavior: The Law of Diminishing Marginal Utility
Reading Assignment: text, chapter 19
- Sept 12** Theory of Consumer Behavior: The Law of Diminishing Marginal Utility
Reading Assignment: text, chapter 19
- Sept 17** **TO TURN IN: HOMEWORK SET #4**
Price Elasticity of Demand & Supply
Reading Assignment: text, chap. 20 to page
- Sept 19** **TO TURN IN: HOMEWORK SET #5**
HOMEWORK REVIEW
- Sept 24** **FIRST MIDTERM**

PART II: THE PRODUCT MARKET

- Sept 26** The Organization of Firms
Reading Assignment: text, chap. 21
- Oct 1** Principles of Production and Costs of Production
Reading Assignment: text, chap 22
- Oct 3** Principles of Production and Costs of Production
Reading Assignment: text, chap 22
- Oct 8** **TO TURN IN: HOMEWORK SET #6**
Perfect Competition
Reading Assignment: text, chap 23
- Oct 10** Monopoly
Reading Assignment: text, chap 24 to pg.

Oct 15 **Imperfect Competition**
Reading Assignment: text, chap. 25 to pg.

Oct 17 **TO TURN IN: HOMEWORK SET #7**
HOMEWORK REVIEW

Oct 19 **MIDTERM EXAM 2**

Part III: THE LABOR MARKET

Oct 24 Analysis of the Labor Market
Reading Assignment: text, chap. 27 to p. 673

Oct 29 Wage Determination
Reading Assignment: text, chap. 27 to p.678

Oct 31 Monopolistic Markets; markets for other factors
Reading Assignment: text, chap. 27 to end

Nov 5 **TO TURN IN: HOMEWORK SET # 8**
Unions and Collective Bargaining
Reading Assignment: text, chap. 28

Nov 7 **Income Distribution**
Reading Assignment: text, chap. 30

IV. THE INTERNATIONAL TRADE SECTOR

Nov 12 **TO TURN IN: HOMEWORK SET #9**
Why Nations Trade
Reading Assignment: text, chap. 32 to p.790

Nov 14 Why and How Nations Restrict Trade
Reading Assignment: text, chap. 32 to end

Nov 19 **TO TURN IN: HOMEWORK SET #10**
Organizations of the Global Economy
Assignment as given in class

Nov 26 Your Future with Social Security
 Reading Assignment: text, chap. 6

Dec 3 Market/Government Failures
 Reading Assignment as given in class

Dec 5 **REVIEW OF HOMEWORK**

FINAL EXAM: Monday Dec 9 8 am – 10 am