

Rutgers University-New Brunswick

Department of Economics

Spring 2017

Introduction to Microeconomics

01:220:102:05

Instructor: Han Liu

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Class time: Monday & Wednesday 2:50 PM - 4:10 PM, CA-A5, College Avenue Campus

Office hour: Tuesday 9:00 AM – 11:00 AM (and by appointment), New Jersey Hall 410, College Avenue Campus

Class site: <http://sakai.rutgers.edu>

Final exam: May 10, 2017: 12:00 PM – 3:00 PM

Course prerequisites

640:111 (Pre-Calculus I) or 640:115 (Pre-Calculus College Math) or PLACEMENT TO CALCULUS

Learning goals

Students will learn:

1. Basic economic concepts including opportunity costs, scarcity, positive and normative economics
2. How to analyze production possibilities of firms and countries, the sources of their comparative advantages, and gains from trade
3. How to use the supply and demand model to understand how markets work.
4. How elasticity is calculated and its relevance to understanding markets.
5. How to analyze consumer behavior with respect to decisions about consumption, savings and employment.
6. How to analyze decisions firms make about pricing, output, employment and investment.
7. How to analyze the behavior of firms in alternative market structures including perfect competition, monopoly, monopolistic competition and oligopoly.

8. How to apply basic game theory to strategic interaction between companies and individuals
9. How to use the concepts of equity, efficiency, and market failure to analyze and evaluate government policies such as price floors and ceilings, tax policy, environmental policy, etc.
10. How to apply economic concepts and ideas to situations not specifically covered in class.

Textbook

Paul Krugman & Robin Wells, *Microeconomics*, 2nd / 3rd Edition

Everyone is expected to read the chapters before they are presented in class. It is NOT required that you purchase the latest edition of this textbook. Feel free to save money by purchasing used earlier editions or intro to micro textbook written by other economists.

Homework

I will post multiple choices homework assignments on Sakai site.

Attendance

Attendance is checked using in-class pop-up quizzes. Four quizzes in total will be held sporadically. The highest two will be recorded.

Grading Protocol

Homework 15%

In-class quiz 10%

Two Midterms 40%

Final 35% (Cumulative)

Extra credit: 3 points, see attachment

No make-up exams will be given for midterms and finals except if you have an acceptable excuse such as serious illness and critical emergency. You would need to submit a letter or excuse, and if due to illness, a medical certificate from your physician stating the nature of your illness must also be submitted. If your excuse is valid, you will be given a make-up exam.

Note: Students must receive C or better to fulfill major and minor requirements.

Tentative Schedules

Jan 18 Principles of Economics

Jan 23	Opportunity cost & Trade
Jan 25	Supply and Demand I
Feb 30	Supply and Demand II
Feb 1	Supply and Demand III
Feb 6	Elasticity
Feb 8	The Efficiency of Market
Feb 13	Price Controls, Quotas, and Government policy
Feb 15	The Economics of Taxation
Feb 20	International Trade
Feb 22	Externalities
Feb 27	Public Goods and Common Resources
Mar 1	Midterm 1
Mar 6	Consumers' Choice I
Mar 8	Consumers' Choice II
Mar 20	Consumers' Choice III
Mar 22	Cost & Production I
Mar 27	Cost & Production II
Mar 29	Firms in Competitive Market I
Apr 3	Firms in Competitive Market II
Apr 5	Monopoly
Apr 10	Midterm2
Apr 12	Oligopoly & Monopolistic Competition
Apr 17	Factors Market
Apr 19	Uncertainty & asymmetric information
Apr 24	Microeconomics frontiers
Apr 26	Review session

Appendix – writing assignment

Here is an opportunity for extra credits (3 points):

1. Pose an interesting question about some pattern of events or behavior that you personally have observed in daily life
2. Write an essay to answer the question using a principle, or principles, discussed in the course.

The essay should be 200-500 words. It's due on Monday 5:00 p.m., May. 1st.

Make sure your essay is clear and concise. Do not lard your essay with complex terminology. Imagine yourself talking to a relative who has never had a course in economics. When you use a terminology or principle in economics, you need explain it using your own words. I will grade your essay based on the value of your question and your apprehension on related principles. Some writing samples could be found on Sakai.