

**Rutgers University-New Brunswick**  
**Introduction to Microeconomics**  
**01:220:102, Section H1**  
**Summer 2017 Syllabus**

**CLASS TIME/LOCATION:** Mon, Tue, Wed, Thu 10:30AM-12:20PM (July 10- Aug 16), Murray Hall 204 (CAC)

**INSTRUCTOR:** Won Hyung Lee  
Email: whlee@economics.rutgers.edu  
Office Location: Room 305, New Jersey Hall  
Office Hours: Tuesday and Wednesday 2:00 -3:00 PM, and by appointment

**COURSE DESCRIPTION:**

This course provides an introduction to microeconomic theories and applications. Microeconomics is the study of decision making by individuals. This course focuses on how individuals make decisions, consequences of their decisions when they interact, and what restrictions can be placed on their decisions or interactions (through government policies) to improve the general welfare of the society.

**STUDENTS WILL LEARN IN THIS COURSE:**

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.

**PREREQUISITES:** Pre-calculus (Math 111, 112 or 115) or placement into calculus  
A grade of C or better in the prerequisites is required.

**REQUIRED TEXTBOOK:** Paul Krugman and Robin Wells, Microeconomics, 3rd edition, Worth Publishers. ISBN-10: 1429283424, ISBN-13: 978-1429283427

**COURSE WEBSITE:** Important announcements, problem sets, supplemental course materials, and anything that is relevant to this course will be posted on the Sakai website, <https://sakai.rutgers.edu/portal>. You will receive an email notification whenever something that requires your attention is posted on Sakai. It is your responsibility to check Sakai frequently and know all the information regarding the course.

**ATTENDANCE:**

Attendance is **mandatory**. If you miss more than two classes because of illness or family emergency, you need to see me and bring me a documented proof of the cause. Reporting an absence through the University's online absence reporting system does NOT make it excused.

**PROBLEM SETS:** Problem sets will be posted on Sakai periodically. They will NOT be submitted

nor graded. However, solving the problem sets will help you prepare for exams greatly.

**EXAMS:**

– There will be three exams and a final exam. The final exam is cumulative.

**Exam 1: July 20 (Thursday)**

**Exam 2: July 31 (Monday)**

**Exam 3: August 8 (Tuesday)**

**Final Exam: August 16 (Wednesday), 8:00-11:00AM**

– All exams must be taken on the date and time specified above. The only exceptions are personal or medical emergencies, in which case the student must notify the instructor of his/her circumstance **within 24 hours of the missed exam AND provide a written excuse signed by a doctor or university official.**

– Cheating during exams or/and any incident of academic dishonesty will result in the failure of this course and be reported to the university office of academic integrity. All students are expected to adhere to the university policies regarding academic integrity, which can be found at: <http://academicintegrity.rutgers.edu/academic-integrity-policy>.

**GRADING:**

Your course grade will be based on:

- 1. Attendance (10%)**
- 2. Exam I, II, and III (18% each)**
- 3. Final exam (36%)**

The following scale will be used to determine your course grade.

| Grade | Minimum Weighted Average Percentage |
|-------|-------------------------------------|
| A     | 90                                  |
| B+    | 80                                  |
| B     | 75                                  |
| C+    | 70                                  |
| C     | 65                                  |
| D     | 60                                  |

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

**CLASSROOM BEHAVIOR:**

1. Arrive in class on time.
2. Come prepared to class: Read the assigned chapters.
3. No usage of cell phone is allowed during class.
4. Do not engage in activities which may distract the instructor or fellow students (e.g. having conversations with other students, sleeping, etc.) during class.

**TENTATIVE COURSE SCHEDULE:**

| Class   | Topic  | Readings                   |
|---------|--|----------------------------|
| July 10 | Principles of economics  | Introduction and Chapter 1 |
| July 11 | Opportunity costs and trade  | Chapter 2 and Appendix     |
| July 12 | Supply and demand  | Chapter 3                  |
| July 13 | The efficiency of market (measured by consumer and producer surpluses) | Chapter 4                  |
| July 17 | Price and quantity controls (Government                                | Chapter 5                  |

|           |   |                         |
|-----------|---|-------------------------|
|           | interventions in the market)  |                         |
| July 18   | Elasticity  | Chapter 6               |
| July 19   | Economics of taxation   | Chapter 7               |
| July 20   | <b>Exam I</b>   |                         |
| July 24   | International trade   | Chapter 8               |
| July 25   | Rational decision making  | Chapter 9               |
| July 26   | Theory of consumer choice   | Chapter 10 and Appendix |
| July 27   | Firm's production and cost in the short run and the long run, continued | Chapter 11              |
| July 31   | <b>Exam II</b>  |                         |
| August 1  | Perfect Competition and the Supply Curve                                | Chapter 12              |
| August 2  | Monopoly  | Chapter 13              |
| August 3  | Oligopoly   | Chapter 14              |
| August 7  | Monopolistic Competition and Product Differentiation                    | Chapter 15              |
| August 8  | <b>Exam III</b>   |                         |
| August 9  | Externalities   | Chapter 16              |
| August 10 | Public Goods and Common Resources                                       | Chapter 17              |
| August 14 | The Economics of the Welfare State                                      | Chapter 18              |
| August 15 | Review  |                         |
| August 16 | <b>Final Exam</b>   |                         |

### **STUDENT-WELLNESS SERVICES:**

*Just In Case Web App*, for a mental health crisis for you are a friend:

<http://codu.co/cee05e>

*Counseling, ADAP & Psychiatric Services (CAPS)*, for non-emergency psychological health issues:

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901 [www.rhscaps.rutgers.edu/](http://www.rhscaps.rutgers.edu/)

*Violence Prevention & Victim Assistance (VPVA)*

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 [www.vpva.rutgers.edu/](http://www.vpva.rutgers.edu/)

*Disability Services*

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

*Scarlet Listeners*, for confidential peer counseling and referral hotline:

<http://www.scarletlisteners.com/> or call (732) 247-5555