

**Rutgers University-New Brunswick**

**Department of Economics**

**Summer 2017**

**Introduction to Microeconomics**

**01:220:102:B6**

Instructor: Han Liu

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Class time: Tuesday & Thursday 6:00 PM - 9:40 PM, MU-113, College Avenue Campus

Office hour: Monday 2:00 PM – 4:00 PM (and by appointment), New Jersey Hall 410, College Avenue Campus

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

**Final exam: July 6th, 2017: 6:00 PM – 8:00 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 / 4th 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.

## Group discussion & Attendance

Attendance is checked using in-class group discussions (10 points). Topics covered by discussions may be general topics or concept applications. The former includes hot topics about education, business, politics, etc. and the latter involves understanding and application of the concepts we newly learn. When the discussion starts, students voluntarily form into several discussion groups, each group consisting of 3 to 4 persons. One student will be responsible to organize the discussion, record groups members' opinions, and write a short essay (200 words) about the discussion after class. Everyone present can get 1 point and the organizer gets 1 more point. One or two discussion sessions will be held each class meeting.

## Grading Protocol

Homework 15%

Attendance 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

- 1st lecture: Principles of Economics; Opportunity cost & Trade
- 2nd lecture: Supply and Demand
- 3rd lecture: Elasticity; The Efficiency of Market
- 4th lecture: Price Controls, Quotas, and Government policy; The Economics of Taxation
- 5th lecture: Midterm1; International Trade
- 6th lecture: Externalities; Public Goods and Common Resources
- 7th lecture: Consumers' Choice
- 8th lecture: Cost & Production
- 9th lecture: Midterm2; Firms in Competitive Market I
- 10th lecture: Firms in Competitive Market; Monopoly
- 11th lecture: Oligopoly & Monopolistic Competition; Factors Market

## Useful Resources

**Academic integrity** The university's academic integrity policy applies to every Rutgers University student. Cheating during tests is strictly prohibited.

<http://academicintegrity.rutgers.edu/academicintegritypolicy/>

**Accommodations** If you need accommodation for a disability, ask the accommodation through the procedures and guidelines set by the Office of Disability Services (<https://ods.rutgers.edu>).

**Counseling, ADAP & Psychiatric Services (CAPS)** for nonemergency psychological health issues  
(848) 9327884

17 Senior Street, New Brunswick, NJ 08901

<http://www.rhscaps.rutgers.edu/>

**Violence Prevention & Victim Assistance (VPVA)**

(848) 9321181

3 Bartlett Street, New Brunswick, NJ 08901

<http://www.vpva.rutgers.edu/>

**Office of Disability Services**

(848) 4456800

Lucy Stone Hall, Suite A145, Livingston, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854

<https://ods.rutgers.edu/>

## **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 Thursday 5:00 p.m., July. 6th.

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.