

Principles of Microeconomics

ECON 001 – ONLINE

Summer 2015

Section #8013

Instructor: Gus Montes

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Course Website: <http://myetudes.org>

Office Hours: XXX (Etudes NG Chatroom).

Prerequisite: Elementary Algebra (Math 115). Students may take Economics 1 or 2 as the first course.

#### Catalog Description

This course is an introduction to the field of microeconomics, which focuses on the behavior of individual economic agents including consumers, business firms, and the government when confronted with scarcity. The course also examines contemporary social issues such as income distribution and poverty as well as global issues such as outsourcing and protectionism. Topics include supply and demand, elasticity, forms of business organizations, theory of production and cost, pricing and output decision in various market structures, market failure and the role of government, labor management relations, and international trade.

#### Introduction

This introductory microeconomics course provides an understanding of basic economic principles and forces, which govern the production, and distribution of goods and services. Topics include: forms of business organizations, the role of government in the economic system, value and price in a free enterprise system, labor/management relations and contemporary economic developments. The objective of microeconomics is to provide the foundations for understanding of how an economy operates.

All economic choices are ultimately made by individuals such as consumers, workers, investors, and managers. This course examines the decision making process of these economic agents and their interactions in individual markets. The functions of private property, entrepreneurship, and government regulation are also discussed. Production and pricing under various market structures, labor markets, and international trade as well as market failure are covered.

The goal of this course is to introduce you to the basic concepts and principles of microeconomics. At the end of this course, you should have a deeper understanding of how markets work (or don't work) and be able to examine the world around you through the lens of economic thinking.

#### Course SLOs

- Apply the laws of demand and supply to analyze the market equilibrium price, price ceilings and price supports.
- Define price elasticity of demand and supply; identify types of elasticity; calculate the elasticity coefficient from two points on a demand curve or supply curve; and identify determinants of price elasticity.
- Construct and interpret a Lorenz curve for the distribution of income and wealth; discuss the factors that explain the distribution of income in the US; compare and contrast income inequality in US with other countries.

#### Technical Requirements

Please carefully review the ETUDES system requirements located at

<https://myetudes.org/portal/site/!gateway/page/4243c7b4-9b68-45fc-0016-148ad08653aa> Make sure you have configured your computer correctly before the course starts.

#### Course Requirements and Expectations

Since this is an online course, the means by which the subject matter will be delivered to you will be different from that which would normally take place in a traditional classroom setting. This means that lectures and discussions will not be face-to face in a room but rather "virtual." The textbook will serve as your "lecture" and online discussions will take the place of classroom dialogue. Thus, it is very important that you keep up with your reading. Your online course offers several advantages to a traditional classroom. Not only does the site offer easy

communication with other students and your teacher, it allows access to a wealth of online resources. I encourage you to use this forum to exchange ideas, resources and comments with your fellow students and learn from what others know.

You are required to 'attend' class by keeping up on announcements, readings, assignments and exams, in addition to participating in weekly discussions. A student in an online course must be prepared to act independently and to encounter technical glitches of all kinds. If you experience technical difficulties that may prevent you from keeping up with the curriculum, you must let me know immediately via e-mail so we can work out a solution.

Required Materials Required Text:

William A. McEachern, ECON Micro, Student Fourth Edition, South- Western. 2014. ISBN 9781285423548. The textbook will be on two-hour, overnight, and 3-day reserve in the library. (The third edition of the textbook is OK.)

Online Purchase Option: <http://www.cengagebrain.com/shop/isbn/9781285423623>

Optional Materials: Students are encouraged to read the Wall Street Journal, Financial Times, The Economist or Business Week to keep current on economic issue.

CourseMate Access is optional.

Methods of Evaluation

Assessments	Points __
Weekly Discussions	120 points
2 Timed Midterms (each 240 points)	480 points
Weekly Assignments	240 points
Final Exam	360 points
Total points possible:	1200 points

Grading Scale 90 -100 % A, 80 -89 % B, 70 -79 % C, 60 -69 % D, Below 59% F.

Grading Policies. I grade all assignments on a weekly basis. You have one week to complete any assignments and must take the exam on the date given. The timed exams consist of multiple choice and true false questions. There will be no make-up exams, with the only exception being an emergency with sufficient and adequate documentation to prove it.

There will be an opportunity for extra credit towards the end of the semester.

College Policies and Standards

Academic Integrity (Plagiarism)

In accordance with code 9803.28, academic dishonesty is prohibited and will not be tolerated in this class. Violations of academic integrity include, but are not limited to, the following actions: cheating on an exam, plagiarism, working together on an assignment, paper or project when the instructor has specifically stated students should not do so, submitting the same term paper to more than one instructor, or allowing another individual to assume one's identity for the purpose of enhancing one's grade. Academic dishonesty of any type, such as cheating or knowingly furnishing false information, by a student provides grounds for disciplinary action by the instructor or college. In written work, no material may be copied from another without proper quotation marks, footnotes, or appropriate documentation. Plagiarism will result in a zero for the assignment, possible dismissal from the class and disciplinary action from the college. You will not receive credit for any essay missing previous drafts, citations and/or a Works Cited page.

Student Conduct

According to code 9803.15, disruption of classes or college activities is prohibited and will not be tolerated. Refer to the catalog and the Standards of Student Conduct in the Schedule of Classes for more information.

Instructor Response Policy

I will check my email daily. I will respond to course related questions within 48 hours. I will announce assignment due dates in the course units and through updated messages just as I would in a regular class. Distance Learning is self-directed learning. It requires a high level of responsibility, dedication and self-discipline on the part of the student. In this course, you are responsible for your own work, your own progress and your own grade. In order to succeed, you need to log in to the course regularly to check announcements, participate in discussions and access course content.

Turning Work In. All assignments should be turned in via ETUDES-NG.

Deadlines Odd things happen in cyberspace—emails get lost, servers disconnect temporarily, and logins fail. Do not wait for the last minute to do your work. Allow time to meet deadlines.

Late Work Late work may receive credit if you contact me and explain a special circumstance.

Cheating. Using any materials or devices or strategies which provide undue advantage on any exam, assignment, activity or other method of assessment for a course. This includes, but is not limited to, looking at another student's exam, using phones or other communication systems to text message during exams, taking pictures or images of exams, talking with others during exams, using Internet to find information, or any other system of inappropriate "help." Exams are to be measures of what YOU, as an individual, have learned.

Collaboration. Working together on projects, papers, exams or other forms of assessment which are to be completed individually.

Plagiarism. Taking anyone else's work as one's own. Presenting another's words, ideas, forms of expression, materials, or labor without proper citation, referencing, and declaration that this material originated outside the student's own work.

For assistance with classroom projects, papers and assignments, please visit the Learning Skills Center, HLRC.

Dropping a Class

Student wanting to drop a class should drop online at [www.wlac.edu](http://www.wlac.edu), click "For Students," then "Student Information System." Students who stop attending a class are responsible for withdrawing from the class to prevent being issued a failing "F" grade in the class.

Instructional Support and Monitoring

Monitor your academic progress online at [www.wlac.edu](http://www.wlac.edu) click "Counseling, Assessment and Orientation," then on the DegreeWorks icon, or visit the Counseling Office.

For instructional support and assistance with research projects, visit the Learning Skills Center and Library in HLRC.

Professional Conduct in Our Virtual Classroom Community

I encourage you to participate in the DISCUSSIONS, and to ask questions and post items of interest in the Student Lounge or Chat Room. This class is a "safe harbor" for you to have discussions. One of the unifying objectives in this course is to familiarize you with best practices and give you exposure to becoming a member of a professional community. I also have the responsibility to insure that our virtual community is a conducive learning environment for all students. As such, all students will please follow these policies of our classroom community for all emails, discussion groups and chat rooms:

1. No profanity or foul language, either in writing or pictures, of any kind at any time.
2. Please address everyone politely by their name.
3. Under no circumstances may you ask for a classmate's personal contact information or in any way ask for a personal meeting or date.
4. Unless I specifically ask you to do so as a proper part of an assignment, do not include in your email signatures or other material in your messages any kind of a personal nature, including a photo, sales solicitation, information about a business, or a political or religious message of any kind. Do not include a blind or other kind of hyperlink to such information. Violators will be excluded from the course.
5. Please use common sense and common courtesy as if you are already a professional in the business community. Please check with me first if you have any questions about what is appropriate.

"Netiquette" and "Civilogue"

This semester, you will post weekly responses to the class blog on various topics related to the class and the world around us. The term "netiquette" is a combination of the words internet and etiquette. The term "civilogue" is a combination of the words civil and dialogue. Both terms, as well as the words used to create them, are essential to the class. You may not agree with the views and opinions expressed by your peers, but you don't have the right to be disrespectful. Personal attacks, profanity, vulgarity and comments that are not productive additions to the conversation will be deleted and you will not receive credit for the assignment.

Office of Disabled Student Programs and Services (DSP&S)

Student Services Building (SSB) 320 | (310) 287-4450.

West Los Angeles College recognizes and welcomes its responsibility to provide an equal educational opportunity to all disabled individuals. The Office of Disabled Students Programs and Services (DSP&S) has been established to provide support services for all verified disabled students pursuing a college education. DSP&S students may qualify for: priority registration, registration assistance, special parking permits, sign language interpreters and assistive technology (WLAC College Catalog).

Online Student Resources

WLAC Online Counseling: <http://www.wlac.edu/online/counselingonline.asp>

WLAC Online Tutoring: <http://www.wlac.edu/online/tutoring.asp>

WLAC Library: <http://www.wlac.edu/library/>

Helpdesk: <http://www.wlac.edu/online/helpdesk.asp>

Detailed Course Schedule, Weekly Topics, and Course Objectives

Week 1 through Week 3

Part 1: Introduction to Economics.

1. The Art and Science of Economic Analysis.

2. Economic Tools and Economic Systems.

Topics: Types of economic resources; the principle of efficient allocation of scarce resources to current economic issues; the importance of full employment and full production; a production possibilities frontier.

3. Economic Decision Makers.

Topics: A circular flow diagram, the major revenue sources and expenditure categories of the federal, state, and local governments; average and marginal tax rates; types of taxes collected in the US.

4. Demand, Supply, and Markets.

Topics: the price mechanism, and competition, the demand curve; the supply curve; equilibrium, shortages, and surpluses in a supply and demand diagram; shifts in supply and demand; changes in equilibrium quantity and price.

Part 2. INTRODUCTION TO THE MARKET SYSTEM.

5. Elasticity of Demand and Supply.

Topics: The price elasticity of demand and its meaning; an inelastic and an elastic demand curve; the reasons why a good or service has a high or low elasticity; the relationship between price elasticity of demand and changes in total revenue caused by changes in price.

Week 4 through 5

6. Consumer Choice and Demand.

Topics: The meaning of marginal utility; the concept of diminishing marginal utility and apply it to human behavior; the relationship between relative prices and relative marginal utilities; the consumer surplus and explain its importance.

7. Production and Cost in the Firm.

Topics: fixed costs and variable costs; marginal costs and average costs; the importance of the short run and the long run for a business firm; the shutdown and going-out-of-business rules; average fixed cost, average variable cost, average total cost, and marginal cost.

Part 3. MARKET STRUCTURE AND PRICING.

8. Perfect Competition.

Topics: Profit maximization, marginal revenue, total revenue and the profit maximizing level of output; the shutdown rule and going out of business rule; the shutdown rule and going out of business rule in a diagram; the graph of average cost to show efficiency for a firm; the difference between the firm's short run and long run supply curves.

9. Monopoly.

Topics: Examples of monopoly; examples of barriers to entry; demand and marginal revenue for a monopoly and the profit-maximizing level of output and profits; natural monopoly and public policies to deal with it.

10. Monopolistic Competition and Oligopoly.

Topics: Examples of monopolistically competitive behavior; monopolistically competitive profit-maximization in

the short run and in the long run; costs and benefits of product differentiation; costs and benefits of price discrimination; the efficiency of monopolistic competition; excess capacity; examples of oligopoly market structure.

Week 5 through Final

Part 4. RESOURCE MARKETS.

11. Resource Markets.

Topics: Marginal physical product, total revenue product, and marginal revenue product; shifts in the marginal revenue product; the supply and demand curves for land; economic rent.

12. Labor Markets and Labor Unions.

Topics: The backward-bending labor supply curve; a supply and demand curve determination of wage rates; reasons for wage differentials in the US labor market; the controversy of the minimum wage, the importance of key events in US labor history.

13. Capital, Interest, and Corporate Finance.

Topics: the supply and demand curves for loanable funds; the supply and demand curves for the productivity of capital and explain their meaning; define and summarize arguments for and against its social usefulness; discuss arguments for and against usury laws.

14. Transaction Costs, Imperfect Information, and Market Behavior.

Topics: The rationale for the firm and its scope of operation; imperfect information and market behavior, the impact of asymmetric information on product markets; asymmetric information and labor markets.

Part 5. MARKET FAILURE AND PUBLIC POLICY.

15. Economic Regulation and Antitrust Policy.

Topics: The trend in US market structures; the primary laws in US antitrust regulation; the trends in US antitrust regulation; the landmark cases in US antitrust law and their implications for policy.

16. Public Goods and Public Choice.

Topics: Goods as pure private, pure public, marketable public, or common resource, based on the characteristics of rivalry and excludability.

Exam Dates:

Timed Midterm Exam 1, covering chapters 1, 2, 3, 4, and 5, will be posted on Wednesday, July 1. The exam will be available until 11pm Friday, July 5th.

Timed Midterm Exam 2, covering chapters 6, 7, 8, and 9, will be posted on Wednesday, July 10th. The exam will be available until 11pm Friday, July 14th.

Timed Final Exam, covering chapters 13, 14,15, and 16, will be posted on Friday, July 24. The exam will be available until 11pm Sunday, July 26.

Course Website (ETUDES-NG) Login Info

You may access your online class by logging in at this URL: <http://myEtudes.org>

Simply use your complete Student ID Number for your Etudes User ID or the first 2 letters of your first name + the first 2 letters of your last name + the last 5 digits of your Student ID Number (not your social security number). If you do not know your Student Identification Number you can look it up using the Student Information System (SIS) at [http://www.laccd.edu/student\\_information/sis\\_logon.asp](http://www.laccd.edu/student_information/sis_logon.asp) If this is your first Etudes class your password is your Month and Day of birth. However, since Etudes passwords are permanent, if you have already taken a class using Etudes your password has not changed.

Example: Juan Straub, 88-459-0210, born July 4

- User ID: just90210
- Password: 0704

After you login you will see a list of the courses you are enrolled in on the top menu bar to the right of My

Workspace. Just click on a course tab to access a course. Once you have entered the course, use the menu on the left to navigate the course. If you have trouble accessing the course on, or after, the start date visit the Online Student Help Desk at <http://www.wlac.edu/online/helpdesk.asp>. Review the Common Login Mistakes information on the left for solutions to common login problems. If your problem is not addressed send us a message explaining the problem or contact the Distance Learning Program Office at (310)287-4306 or via email at [shemwer@wlac.edu](mailto:shemwer@wlac.edu)