

Economics 101-5
Principles of Microeconomics

Fall 2008

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Class meets: MWF 1:15-2:20pm
in Clausen Center, room 107
Office hours: M 3:00-4:30
Tu 2:30-4:30
W 3:00-4:30

Course Description and Objectives

Much of what happens in the world affects the economy, is affected by the economy, or both. Senators McCain and Obama debate tax policy and health care reform. Globalization creates new opportunities for U.S. businesses and consumers, but threatens some U.S. workers' jobs. Policymakers debate ideas to curb global warming. Falling real estate prices cause record numbers of foreclosures and bankruptcies. Rising gas prices force layoffs at factories that produce gas-guzzling Escalades and Hummers, and spur bicycle sales and enrollment in distance education courses.

A working knowledge of the principles of economics helps you understand many such issues, and gives you a framework to both understand future developments and to evaluate policy proposals. Such knowledge helps you function more effectively as a worker, consumer, manager, parent, and voter.

Microeconomics is the first course in what for many of you will be a two-semester sequence. It studies the behavior of consumers and businesses, the functioning of markets, and the effects of government policies and other events. Core topics include: the idea of using assumptions and models to study social issues; marginal analysis (comparing the costs and benefits of an incremental change to determine the optimal thing to do); opportunity cost, comparative advantage, and the gains from trade; supply and demand; government policies and their effects on markets and market participants; welfare analysis; costs of production; the production and pricing decisions of businesses; the structure and performance of markets under various degrees of competition; markets for labor and other inputs; externalities and public goods; and the role of public policy in all of the above.

Upon successful completion of this course, the student will be able to:

- use supply and demand analysis to predict or evaluate the effects of government policies or other events on society's allocation of resources
- explain what "gains from trade" means and where these gains come from
- measure the gains and losses to different groups (consumers, businesses, the government, innocent bystanders, and society as a whole) from various events and government policies
- show how firms make production, pricing, and hiring decisions, and how those decisions depend on costs and the degree of competition firms face
- contrast the character and performance of various market structures ranging from perfect competition to monopoly
- illustrate the welfare loss resulting from market failures such as externalities, determine government policies to address those failures, and evaluate the policies

Textbook, other reading, and clickers

Principles of Microeconomics, Fourth Edition, by N. Gregory Mankiw

Students should also follow economic news in the *New York Times*, *Wall Street Journal*, *The Economist*, or other reputable sources. Following the news will make your education more meaningful, and will help you make a better impression on the job market: prospective employers are impressed with candidates who are informed and can articulate intelligent opinions about what's happening in the world.

Students are required to purchase an "i-clicker" (available in bookstore, and sometimes available on eBay and elsewhere). The i-clicker is a handheld device for in-class student polling with nearly real-time results. We will use these clickers for two purposes: (1) to take graded quizzes on reading assignments and (2) to do in-class activities, such as surveys on topical issues, practice exam questions, and brief exercises that apply course material. The nearly instantaneous feedback from clicker quizzes and exercises will help reveal which concepts students are understanding well and which need additional reinforcement.

Course Requirements

Your grade in the course will be based on the following components. Weights (percentages) are approximate and will be adjusted if appropriate.

*see below	Exam 1	Monday, October 6
* see below	Exam 2	Monday, November 10
30%	Final examination	Friday, December 12, 1:30-3:30pm
25%	Clicker quizzes	throughout semester
10%	Miscellaneous coursework	throughout semester

Exams. Each exam will contain multiple choice questions, short-answer questions, problems, and an essay question. The final exam is comprehensive/cumulative, though it will focus disproportionately on material covered after Exam 2. *Of Exams 1 and 2, the one on which you earn the higher score will count 25% toward your course grade, the other will count 10%.

Clicker quizzes. There will be a quiz on each assigned reading at the beginning of the class in which the reading is covered. You will use your clicker to respond to the quiz questions. I will announce the date of each quiz, and post it at our website, at least one class period in advance.

Miscellaneous coursework. This includes occasional in-class or at-home exercises or writings, and class participation.

Make-up exams. You may make up a missed exam only in very special circumstances, only if those circumstances are documented, only if the documentation can be independently verified by me, and only at my discretion. I will accommodate a make-up exam request for students on an official Carthage sports team who must be away for an official event, or for students who experience a personal or family

emergency. I will not accommodate a make-up request for students who wish to attend family or work events, or business or leisure travel. You know the dates of the exams well in advance; plan such activities around them.

Missed clicker quizzes. There will be one quiz for every assigned chapter in the textbook, and possibly a quiz on an occasional outside reading. I anticipate approximately one quiz per week, though not necessarily on any specific day of the week. (I will announce quiz dates at least one class meeting in advance, and will post the dates at our course website.) You may miss up to three clicker quizzes without penalty. If fewer than three clicker quizzes are missed, the lowest three quiz scores will be dropped.

Attendance. The consequences of missing class depend on whether absences are infrequent or excessive. For infrequent absences, I do not assess a penalty (other than the possibility of zeros on missed quizzes). When you must miss a class, it is your responsibility to catch up on your own: find out what material was covered, check with your classmates and check our website for any announcements or other information, and get a copy of the notes from one of your classmates. *I do not give out my notes and I absolutely will not re-teach material outside of class to students who miss class.* Excessive absences are far more serious. Learning the material well enough to pass the course is difficult and unlikely without regular attendance. Also, students who have missed many previous classes tend to hold the rest of the class back. Therefore, I reserve the right to assess extra penalties on students with excessive absences. If your other commitments will interfere with attending this class, please drop the class now and free up a spot for another student who wants to enroll.

Email etiquette. Identify yourself in every email. Allow at least 24 hours for a response. When you email a professor, academic advisor, prospective employer, or graduate school admissions officer, remember that what you write and how you write it will shape the recipient's perception of your intelligence and professionalism.

Class conduct. Each student is expected to help me maintain a positive and respectful classroom environment where each of us is valued equally as a human being, regardless of our views, race, gender, sexual orientation, income, background, or aptitude in economics or any other subject. I prohibit any behavior that makes it harder for me to conduct the class or harder for students to learn in class; such behavior includes (but is not limited to) socializing with others, and use of a cell phone.

Academic dishonesty. All students must familiarize themselves with and agree to the Carthage Student Community Code, which discusses academic dishonesty and explains what happens when a student commits acts of academic dishonesty. I support these policies and enforce them. The Code is available here: <http://www.carthage.edu/campuslife/code/acadconcerns/>

Understanding the importance of this issue is in your best interest as an honorable student who does not engage in academic dishonesty. What's at risk here is no less than the value of a Carthage degree. Here's why: Academic dishonesty means that some students receive grades and even degrees without fully earning them, without fully learning the skills those grades and degrees represent. These students then go on the job market, and prospective employers start to develop the perception that a Carthage degree does not necessarily represent a high-quality candidate with the skills and knowledge needed for

success. This perception makes it harder for those students who truly earned the GPAs that appear on their transcripts. Thus, academic dishonesty is nothing less than stealing from other students.

All of the faculty and students at Carthage work hard to ensure that a Carthage degree is something very special and holds high value in the job market. Acts of academic dishonesty undermine this hard work and harm current and future Carthage students. Therefore, the Code and Academic Honesty Guidelines referenced above provide for serious consequences for such acts, including dismissal from the College. I fully support these consequences; they serve as a deterrent against acts of academic dishonesty and they help protect the high value of a Carthage degree.

I have emphasized this here not because I expect any of you will cheat – I don't, and I'm very confident in your integrity. Rather, I want you to know that it is important for all of us – faculty and students alike – to help develop a culture that sees cheating as what it really is – stealing from other students – and a culture in which each of us values our integrity more highly than our GPAs.

Other Information

Course website. Please visit the course website regularly. I will post announcements, course materials, reading assignments, grades, and other information. The address is: <http://roncron.com>.

Accommodations for individuals with disabilities. If you have a disability-related need for accommodations in this course, please contact me during the first week of the semester. You will also need to provide documentation of a disability to Diane Schowalter in the Advising Center, x5802.

Carthage Writing Center. The Writing Center provides many resources to assist students with their writing, including free individual appointments with writing experts. To make an appointment, call 552-5536 or email writingcenter@carthage.edu. See the [Writing Center website](#) for more information and additional resources.