

## Spring 2017 Syllabus -- Economics (Econ) 106 -- Section 501 -- CRN 37245

**INSTRUCTOR:** Dr. Steven Castillo – Email: stevenpc@unm.edu

**CLASS MEETINGS:** Thursdays 6:00-7:15 pm, Room: VB&T 118.

**OFFICE HOURS:** Thursdays 7:15-7:45 pm in VB&T 118 immediately after class.

**REQUIRED TEXTBOOK:** The required textbook is Microeconomics, Fourth Edition by Paul Krugman and Robin Wells, Worth Publishers, Copyright 2015. Bring textbook and online notes to class every day.

**COURSE DESCRIPTION:** Exploration of consumer behavior, production decisions by the firm, supply and demand relationships in the marketplace, and international dimensions of production and consumption.

**COURSE OBJECTIVES:** After completing this course, students should be able to:

1. Graph, calculate, and explain consumer behavior using elasticity, CPC & indifference curves, utility theory, the market mechanism, the circular flow, the law of diminishing marginal utility, and taxes.
2. Graph, calculate, and explain business behavior using total, average, and marginal revenue and costs, scarcity, break even analysis, benefits of trade, PPC, the law of diminishing returns, and taxes.
3. Graph, calculate, and explain the four main market structures of perfect competition, monopoly, oligopoly, and monopolistic competition – and the government antitrust laws that regulate them.
4. Discuss land, labor, and capital markets via externalities, public goods, welfare, price floors, price ceilings, income distribution, uncertainty, risk, government intervention, and private information.

**LEARN** is the on-line platform used to complete tests and assignments. Students should log onto Learn to take tests, complete assignments, see the syllabus, print lecture notes, or view lecture videos. The log-on procedure is as follows: log onto URL: [learn.unm.edu](http://learn.unm.edu) and enter your net ID and password. Click on your Econ course. A menu will appear on the left side of your screen, click on “Course Information” and then choose syllabus in the center of the screen. For help or instructions on how to submit assignments or view your assignment grades, read the information provided at the following URL: <http://online.unm.edu/help/learn/students/>.

**THIS IS A HYBRID COURSE** which means that students will meet as per column one of the Course Schedule on page 2 and complete on-line work as follows: Four on-line tests at 40 points each; ten on-line assignments at 10 points each; and ten participation scores at 4 points each. Total possible points is 300. Students may figure their grade at any time by (1) summing their points earned; (2) dividing their points by the total points possible; and (3) checking the chart below without rounding.

### FINAL COURSE GRADES:

Over 98% A+	Over 93% A	Over 90% A-	Over 87% B+	Over 83% B	Over 80% B-
Over 77% C+	Over 73% C	Over 70% C-	Over 67% D+	Over 63% D	Over 60% D-

**MISCELLANEOUS:** (1) UNM-Valencia is an equal access campus and students with documented **disabilities** should contact the instructor and Student Services (925-8560) immediately for assistance. (2) **Algebra** is recommended for this course and free tutoring is available at the Learning Center (925-8900). (3) Students who **cheat**, plagiarize, or copy from other people may be dropped from the course. (4) Classroom **disturbances** will reduce student grades by 5% per offense or the student may receive an F in the course. These offenses include but are not limited to: unauthorized electronic devices, tapping, clicking, eating, drinking, texting, ringing, sunglasses, lack of attention, talking out of turn, obstructing other students' views, entering class late, leaving class early, failure to bring textbook to class, failure to complete in-class assignments, and offensive language, dress, or posturing that is generally unacceptable in a college classroom environment.

## Micro Course Schedule

<b>THURSDAY</b>	<b>CHAPTERS TO READ before class on Thursday</b>	<b>ASSIGNMENTS</b>
Jan 19	2 Economics, Tradeoffs, and Trade 3 Supply and Demand	(1) Due on Learn by Wed 11:59 pm of next week.
26	4 Consumer and Producer Surplus	(2) Due on Learn by Wed 11:59 pm of next week.
Feb 2	Test1 On-line – Chapters 2,3,4 Available 1:00 a.m.-11:59 p.m. Thurs only	No class this week; Test1 online on Learn.
9	5 Price Controls and Quotas	(3) Due on Learn by Wed 11:59 pm of next week.
16	6 Elasticity	(4) Due on Learn by Wed 11:59 pm of next week.
23	7 Taxes	(5) Due on Learn by Wed 11:59 pm of next week.
Mar 2	Test2 On-line – Chapters 5,6,7 Available 1:00 a.m.-11:59 p.m. Thurs only	No class this week; Test2 online on Learn.
9	8 International Trade	(6) Due on Learn by Wed 11:59 pm of next week.
16	SPRING BREAK	No class this week.
23	9 Decision-making by Individuals & Firms	
30	10 The Rational Consumer	(7) Due on Learn by Wed 11:59 pm of next week.
Apr 6	11 Inputs and Costs	(8) Due on Learn by Wed 11:59 pm of next week.
13	Test3 On-line – Chapters 8,9,10,11 Available 1:00 a.m.–11:59 p.m. Thurs only	No class this week; Test3 online on Learn.
20	12 Perfect Competition 13 Monopoly	(9) Due on Learn by Wed 11:59 pm of next week.
27	14 Oligopoly 15 Monopolistic Competition	(10) Due on Learn Wed 11:59 pm of next week.
May 4	Test4 On-line – Chapters 12,13,14,15 Available 1:00 a.m.–11:59 p.m. Thurs only	No class this week; Test4 online on Learn.
11	Finals week – no Econ class	Final Grades Will Be Posted By Saturday Midnight.

**LATE WORK:** Specific deadlines are set for each test, assignment, and participation, and no late work is accepted.

## MICROECONOMICS 106 CHAPTER TOPICS – Krugman/Wells

**INTRODUCTION** – What is Microeconomics, The invisible hand, The market economy, market failure, scarcity, resources, factor payments, inputs, outputs, the circular flow diagram, government intervention.

**Chapter 1 – FIRST PRINCIPLES** - (1) Resources are scarce. (2) The real cost of something is what you must give up to get it. (3) How much? Is a decision at the margin. (4) People usually exploit opportunities to make themselves better off. (5) There are gains from trade. (6) Markets move toward equilibrium. (7) Resources should be used as efficiently as possible to achieve society's goals. (8) Markets usually lead to efficiency. (9) When markets don't achieve efficiency, government intervention can improve society's welfare. (10) One person's spending is another person's income. (11) Overall spending sometimes gets out of line with the economy's productive capacity. (12) Government policies can change spending.

**Chapter 2 – ECONOMIC MODELS: TRADE-OFFS AND TRADE** - choices, opportunity cost, the consumption possibilities curve and frontier, the production possibilities curve and frontier, economic growth, the law of increasing opportunity cost, Appendix: slopes and equations of linear and nonlinear curves.

**Chapters 3 & 4 – SUPPLY, DEMAND, CONSUMER, AND PRODUCER SURPLUS** - Competitive markets, the market mechanism, product surplus and shortage, causes and outcomes of a change in supply or demand.

**Chapter 5 – PRICE CONTROLS AND QUOTAS** – why government controls prices, price ceilings, why use them, price floors, why use them, quantity controls, why use them, disadvantages of price and quantity controls.

**Chapter 6 – ELASTICITY** – price elasticity of demand and supply, cross elasticity, income and tax elasticity.

**Chapter 7 – TAXES** – the effect of an excise tax on quantities and prices, price elasticity and tax incidence.

**Chapter 8 – INTERNATIONAL TRADE** – comparative advantage, the effects of imports and exports on international wages, international trade protection, tariffs, quotas, embargos, and agreements.

**Chapter 9 – DECISION-MAKING** – explicit versus implicit costs, accounting versus economic profit, marginal cost-benefit analysis, sunk costs, present and future value, annuities, borrowing and lending.

**Chapter 10 – THE RATIONAL CONSUMER** – utility, the law of diminishing marginal utility, budget constraint line, the optimal consumption choice, marginal utility per dollar, the substitution effect and income effect.

**Appendix: CONSUMER PREFERENCES AND CONSUMER CHOICE** – indifference curves, marginal rate of substitution, rate of market exchange, the tangency condition, substitutes, complements, income effects.

**Chapter 11 – BEHIND THE SUPPLY CURVE: INPUTS AND COSTS** – the production function, total product, marginal product, fixed inputs, cost curves, marginal cost, minimum average total cost, returns to scale.

**Chapter 12 – PERFECT COMPETITION AND THE SUPPLY CURVE** – attributes of a perfectly competitive firm, profit-maximizing quantity of output, short and long-run production decisions, the shifting of cost curves.

**Chapter 13 – MONOPOLY** – what monopolies do, why monopolies exist, the demand curve, the marginal and total revenue curves, monopoly vs. perfect competition, preventing monopoly, price discrimination.

**Chapter 14 – OLIGOPOLY** – collusion and competition, competing in prices versus competing in quantities, the kinked demand curve, legal framework, collusion, price wars, product differentiation and leadership.

**Chapter 15 – MONOPOLISTIC COMPETITION AND PRODUCT DIFFERENTIATION** – means of differentiation, monopolistic competition in short run versus the long run, efficiency, the role of advertising, brand names.

**Chapter 16 – EXTERNALITIES** – costs and benefits of pollution, private and public solutions to externalities.

**Chapter 17 – PUBLIC GOODS AND COMMON RESOURCES** – why markets can supply only private goods efficiently, how much of a public good should be provided, cost-benefit analysis, the problem of overuse.

**Chapter 18 – THE ECONOMICS OF THE WELFARE STATE** – the problem of poverty, inequality and public policy, economic insecurity, TANF, social security, unemployment insurance, healthcare, welfare debate.

**Chapter 19 – FACTOR MARKETS AND THE DISTRIBUTION OF INCOME** – the allocation of resources, value of the marginal product and wage inequality, factor demand, income distribution, the markets for land and capital, market power, efficiency wages, discrimination, work versus leisure, wages and labor supply.

**Chapter 20 – UNCERTAINTY, RISK, AND PRIVATE INFORMATION** – expectations and uncertainty, risk, paying to avoid risk, buying, selling, and reducing risk, diversification, adverse selection, moral hazard.

## Computer Lab Responsibility

Please be advised that use of computer labs on UNM properties is governed by “Policy 2500: Acceptable Computer Use” which can be found at <http://policy.unm.edu/university-policies/2000/2500.html>. Food and drink are also prohibited in any computer lab on campus. Anyone violating these policies is subject to possible suspension and loss of computer lab privileges.

## UNM Email/Black Board Learn Access

Beginning Fall 2015 semester, all UNM-Valencia students will need a UNM Net ID which can be created by going to: <http://it.unm.edu/accounts/>. UNM Net ID will give you access to the computer labs on campus, blackboard learn and UNM Email.

## Title IX

In an effort to meet obligations under Title IX, UNM faculty, Teaching Assistants, and Graduate Assistants are considered “responsible employees” by the Department of Education (see page 15 – <http://www2.ed.gov/about/offices/list/ocr/docs/qa-201404-title-ix.pdf>). This designation requires that any report of gender discrimination which includes sexual harassment, sexual misconduct and sexual violence made to a faculty member, TA, or GA must be reported to the Title IX Coordinator at the Office of Equal Opportunity ([oeo.unm.edu](http://oeo.unm.edu)). For more information on the campus policy regarding sexual misconduct, see: <https://policy.unm.edu/university-policies/2000/2740.html>

### **"UNM Email/Black Board Learn Access:**

Beginning Fall 2015 semester, all UNM-Valencia students will be required to have a UNM Net ID which can be created by going to: <http://it.unm.edu/accounts/>. UNM Net ID will give you access to the computer labs on campus, blackboard learn and UNM Email. Make sure to update this information as your method of contact under personal information on Lobo Web."