

Spring 2016 Syllabus -- Economics (Econ) 106 -- Section 501 -- CRN 46972

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

CLASS MEETINGS: Thursdays 10:30-11:45 am, Room: VABS 118 as per the Course Schedule on page 2.

OFFICE HOURS: Thursdays 11:45 am-12:15 pm in VABS 118 immediately after class.

SYLLABUS: Subject to change.

TEXTBOOK: The required textbook is MICROeconomics, Fourth Edition by Paul Krugman and Robin Wells, Worth Publishers, Copyright 2015. Bring textbook and 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.

THIS IS A HYBRID COURSE which means that students will meet as per the Course Schedule below to discuss textbook and lecture material. Students will also be required to take Online exams as per the Course Schedule on page 2. Students should log onto Learn to take a test, see the syllabus, print lecture notes, or view lecture videos. The log-on procedure is as follows: log onto URL: learn.unm.edu and enter your netID 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/>. Specific deadlines are set for each test and no late tests will be accepted.

GRADES: This is a hybrid course so students only come to class as per the Course Schedule on page 2. Eight class activities will be assigned during class; they are worth 5% each for a total of 40%. Each of the four tests is worth 15% for a total of 60%. Each test will be based on textbook, lecture, class notes, and will be taken online. There will be no late activities or tests given.

Final Course Grades

100-98 A+	97-93 A	92-90 A-	89-87 B+	86-83 B	82-80 B-
79-77 C+	76-73 C	72-70 C-	69-67 D+	66-63 D	62-60 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 be dropped from 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.

Course Schedule

THURSDAY	CHAPTERS TO READ before class on Thursday	NOTES
January 21	2 Economics, Tradeoffs, and Trade 3 Supply and Demand	LECTURE IS IN CLASS
Jan 28	4 Consumer and Producer Surplus	LECTURE IS IN CLASS
Feb 4	5 Price Controls and Quotas	QUIZ-1 IS IN CLASS
Feb 11 No class	Test1 ON LEARN – Chapters 2,3,4,5 Available 1:00 a.m.-11:59 p.m. 2/11 only	Two attempts Online 60 minutes per attempt
Feb 18	6 Elasticity	QUIZ-2 IS IN CLASS
Feb 25 No class	7 Taxes	LECTURE IS ONLINE NMHEAR Conference
March 3	8 International Trade 9 Decision-making by Individuals and Firms	QUIZ-3 IS IN CLASS
Mar 10 No class	Test2 ON LEARN – Chapters 6,7,8,9 Available 1:00 a.m. – 11:59 p.m. 3/10 only	Two attempts Online 60 minutes per attempt
Mar 17 No class	(spring break) NO CLASS	No class Spring break
Mar 24	10 The Rational Consumer 11 Inputs and Costs	QUIZ-4 IS IN CLASS
Mar 31	12 Perfect Competition	QUIZ-5 IS IN CLASS
April 7	13 Monopoly	QUIZ-6 IS IN CLASS
Apr 14 No class	Test3 ON LEARN – Chapters 10,11,12,13 Available 1:00 a.m. – 11:59 p.m. 4/14 only	Two attempts Online 60 minutes per attempt
Apr 21	14 Oligopoly	QUIZ-7 IS IN CLASS
Apr 28	15 Monopolistic Competition	QUIZ-8 IS IN CLASS
May 5 No class	Test4 ON LEARN– Chapters 14,15 Available 1:00 a.m. – 11:59 p.m. 5/5 only	Two attempts Online 60 minutes per attempt
May 12 No class finals week	FINAL GRADES WILL BE POSTED BY SATURDAY MIDNIGHT MAY 21	No class

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.

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.