

# PRINCIPLES OF MICROECONOMICS (ECON 205)

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Buena Vista University, Spring 2011

Instructor: Jeremy Horpedahl

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Office Hours: Monday 1:00-2:00pm, Tuesday 1:15-3:00pm, Wednesday 1:00-2:00pm

This syllabus represents the constitutional contract between student and instructor. Please read it carefully and sign the last page to indicate understanding and agreement. Minor changes may be made at the instructor's discretion.

## COURSE DESCRIPTION

**Catalog Description:** A study of supply and demand in the context of consumer preferences and the theory of the firm.

**Expanded Description:** Microeconomics is the study of consumer demand for goods and services, the cost of supplying those goods and services, and the coordination of competing demands in a world of scarce resources. The focus of this course is this process of coordination in a market economy, as well as under what conditions coordination might not work. Economics is about more than dollars and cents, profit and loss. It examines a process of social cooperation that can be miraculous.

## PREREQUISITE

Math Foundation: MATH 125, 130, 140, 143, or 145 (see page 8 of the Academic Catalog for details). Students currently taking these courses may enroll at the instructor's discretion.

## READINGS

There is one required textbook for the class: *The Economic Way of Thinking* (12<sup>th</sup> edition) by Paul Heyne, Peter Boettke, and David Prychitko. The authors also maintain a blog at <http://ewot.typepad.com/> which relates the book's material to current events. Additional readings from the internet are listed in the Course Outline below.

## ATTENDANCE

Regular attendance is expected, and many elements of your grade can only be obtained by attending class. While there is no separate attendance component of your grade, the reading quizzes serve as a close substitute.

## GRADES

**Examinations (20% each):** There will be three examinations, based primarily on material covered in lectures, as well as the assigned readings. Makeup exams are only given for extreme, unforeseeable circumstances such as medical or family emergencies.

**Homework (15%):** Five homework assignments are to be completed over the course of the semester. Due dates are listed in the course outline. Late assignments incur a penalty of 10% plus an additional 2% for each 24-hour period.

**Economic Games (10%):** There will also be three in-class economic games. The rules of each game and how to earn points will be discussed on the day of the game. You must be present to play the game. The dates of the games are listed in the course outline.

**Game Reaction Paper (15%):** You will also be required to write a reaction paper for one of the economic games. The paper must be 750-1,250 words of body text.

The grading scale is:

≥ 90%	A
≥ 80%	B
≥ 70%	C
≥ 60%	D (lowest passing grade for P/NC)
< 60%	F

## NOTICES

**Academic Honesty:** As stated in the Academic Catalog, “Buena Vista University believes that personal integrity and academic honesty are fundamental to scholarship. ... Any attempt to cheat, misrepresent someone else’s work as one’s own, receive credit for work one did not do, obtain an unfair advantage over other students, or aid another student to do the above will be considered a breach of academic integrity.” This statement is taken seriously in this class. You are encouraged to read the academic honesty policy in the Academic Handbook (page 20-22, <http://www.bvu.edu/academics/catalog/>), though most of this is common sense to a responsible adult such as yourself. Violations result in a failing grade for the course.

**Disability Accommodations:** BVU complies with Section 504 granting accommodations for students with disabilities who have appropriate documentation. If you have a disability, contact the Director of the Center for Academic Excellence for assistance or to fill out paperwork requesting accommodations. Also please see me in private within the first week of class.

**Laptop Policy:** Laptops are only permitted in class for note-taking purposes, unless otherwise instructed during lecture.

## COURSE OUTLINE

Date	Topic	Readings (to be read <i>before</i> class)	Assignments Due
January	27	Introduction	
February	1	The Economic Way of Thinking	
		Heyne Ch. 1 <a href="#">Economics in One Lesson</a> , Chs. 1-2	
	3	Efficiency, Exchange, & Comparative Advantage	
	8	Comparative Advantage II	
	10	Demand	
	15	Supply	Homework #1
	17	<b>Economic Game #1</b>	
	22	Supply and Demand	
	24	Supply and Demand II	Homework #2
March	1	Review for Exam	
	3	<b>First Exam</b>	
	8	Return Exam	
	10	Supply and Demand III	
	15	Profit, Loss, and Entrepreneurs	
		Heyne Ch. 6 Heyne Ch. 7 <a href="#">Economics in One Lesson</a> , Chs. 15 and 21	
	17	<b>Economic Game #2</b>	Homework #3
	22-24	<i>No Class – Spring Break</i>	
	29	Uncompetitive Markets and Price Searching	
	31	Uncompetitive Markets II	
April	5	Competition and Government Policy	Homework #4
	7	Review for Exam	
	12	<b>Second Exam</b>	
	14	Return Exam	

	19	<b>Economic Game #3</b>		
	21	Externalities and Conflicting Rights	Heyne Ch. 10	
	26	Externalities and Conflicting Rights II		
	28	Markets and Government	Heyne Ch. 11	
May	3	Markets and Government II		
	5	Money	Heyne Ch. 14	
	10	Money II		Homework #5
	12	Review for Final Exam		Reaction Paper
	16	<b>Final Examination</b>	5:00pm in FM 8	

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Instructor

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Student