

PRINCIPLES OF MICROECONOMICS (ECON 2010-100)  
Department of Economics, University of Colorado  
Spring, 2009

Classtime:	M,W,F: 1:00-1:50 pm	Room: CHEM 140
Professor:	Charles de Bartolome	Recitation instructor:
Office hours:	M 3:45-4:45 pm; Tu 9:15-10:15am; Thurs 1:15 - 2:15 pm.	Recitation place: Recitation time:
Office:	Econ 203.	Office hours:
e-mail:	debartol@colorado.edu	Office:

*Textbook:* Mankiw, N. Gregory, (2009), *Principles of Microeconomics* (5th Edition).  
Southwestern/CENGAGE Learning.

*Support Material:*

Each student must enroll in Aplia. In addition to providing additional learning materials, there will be weekly quizzes on Aplia which will be graded.

The textbook plus support material may be purchased directly from Aplia (\$120 - see attachment) or from the bookstore (\$193).

“*Clickers*” Each student must buy a *i>clicker*. If you do not already own one, an *i>clicker* may be purchased at the University of Colorado bookstore. Clickers will be used to promote faculty-student interaction. They will also be used to give class problems which will be scored.

Clickers should be registered at: [cuconnect.colorado.edu](http://cuconnect.colorado.edu)

*Course description:*

Microeconomics is about what goods get produced and at what prices they are sold. The individual must decide what goods to buy, how much to save and how hard to work. The firm must decide how much to produce and with what technology. The course explores how "the magic of the market" coordinates these decisions. In addition, the course considers such questions as: What is competition? Why is competition socially desirable? Is competition likely? How do firms behave in the absence of competition?

*Course Level:* The course is an introductory course. No previous knowledge of economics is assumed. The student is, however, assumed to be able to solve simultaneous equations both graphically and algebraically.

*Course assignments and CULearn:*

All course assignments and some lecture notes are posted on the course page located at: <http://culearn.colorado.edu> .

In the past, some students have had difficulty in downloading some of the pdf files posted on CULearn . ITS advises that this may be due to the large file sizes. ITS recommends that you open the Adobe Acrobat Reader. Then click as: Edit > Preferences> Internet and *uncheck* “Allow Fast Web View”.

Please note that six pages of each Adobe Acrobat file can be printed on a single sheet by clicking as: Print >Properties > layout > Pages per sheet.

*Attendance at class:*

Woody Allen once remarked: "90% of life is just turning up". The best way to learn the material is to attend class. Reading the lecture notes posted on the web is not a good substitute for attendance. Attendance at class is therefore required.

*Recitations:* Recitations start w/c 19 Jan. Attendance at recitation is required.

Recitations will go over the weekly problem set which is posted on CULearn. Before the recitation, you must attempt to work through the weekly problem set which is posted on CU Learn. The recitation will then review the problem set.

The weekly problem set is designed to present problems at a deeper level than the



*Students with Special Needs:*

*Academic Integrity:*

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ( [honor@colorado.edu](mailto:honor@colorado.edu) ; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at:

<http://www.colorado.edu/policies/honor.html> and at:

<http://www.colorado.edu/academics/honorcode/>

*Course outline:*

A list of topics to be covered and likely dates is shown on the next pages:

<i>Date</i>	<i>Topic</i>	<i>Chapter</i>
12, 14 Jan	INTRODUCTION Eleven Big Ideas Scarcity. Trade-off. Opportunity cost. Economics as a social science.	1
16 Jan	THINKING LIKE AN ECONOMIST Positive and normative. Circular flow model. Production possibility model.	2
21, 23 Jan	GAINS FROM TRADE Comparative advantage. Specialization. Mutual gains from trade.	3
26, 28, 30 Jan	DETERMINATION OF THE MARKET PRICE Competitive markets. Individual and market demand curves. Individual and market supply curves. Equilibrium: Law of Supply and Demand.	4 (pp. 63-77)
2 Feb	CHANGES IN MARKET CONDITIONS Shifts in the demand curve: substitutes and complements. Shifts in the supply curve.	4 (pp. 77-84)
4, 6 Feb  123)	INTERFERING WITH THE MARKET MECHANISM Coordinating role of prices.  <u>I</u> nelastic = steep, <u>E</u> lastic = flat. Price-ceiling and price-floors.	6 (pp. 113-

9, 11, 13 Feb	HOUSEHOLD DECISION-MAKING: BENEFIT MAXIMIZATION Benefit = willingness to pay. Consumer surplus Scarcity: budget line. Decision-making: marginal changes. Marginal benefit.	7 (pp. 137-142) and pp. 453-455
16 Feb	FIRST MIDTERM (7:00 - 9:00pm in CHEM 140 )	
18, 20, 23 Feb	HOUSEHOLD DECISION-MAKING AND SOCIETAL GAINS Purchase decision rule: “marginal benefit = price” rule Consumer demand curve = marginal benefit curve.	
25 Feb	FIRM DECISION-MAKING AND SOCIETAL GAINS Marginal changes Marginal cost	7 (pp. 143-147)

	Entry Competitive firm's demand curve is horizontal Short-run and long-run	
6, 8, 10 Apr	FIRM DECISION-MAKING: COMPETITIVE FIRM Presence rule of existing firm: "produce if price $\geq$ min average variable cost" rule. Presence rule of new firm: "enter if price $\geq$ min average total cost" rule Level rule: "produce till marginal cost = price" Firm supply curve in short-run and long-run.	14 (pp. 292-300)
13, 15 Apr	MARKET ADJUSTMENT Short-run market supply curve is upward sloping. Long-run market supply curve is horizontal. In long-run: price = min average cost. Market dynamics in the short-run and in the long-run.	14 (pp. 301-304)
17, 20, 22	MONOPOLY Monopoly demand curve is downward sloping. Monopoly: marginal revenue < price. Monopoly output choice: "marginal revenue = marginal cost" rule. Natural process of innovation, profits and entry. Inefficiency: deadweight loss. Public policy discussion.	15 (pp. 313-333)
24, 27, 29 Apr	MARKET FAILURE: EXTERNALITIES Divergence of group and individual incentives. Public policy discussion	10





## Student Registration and Payment Instructions

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**Course Name:** deBartolome, Microeconomics (Mankiw), Spring 2009

**Start Date:** 01/12/2009