New Jersey Institute of Technology

Econ 265-001 Microeconomics

Semester: Fall 2013
Instructor: Dr. Porchiung Benjamin Chou
Days/Times: Tuesday 11:30 am – 12:55 pm and Thursday 11:30 am – 12:55 pm
Classroom: KUPF 209
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Office Hours: Tuesday 3:00 pm – 6:00 pm, or by appointment for other times
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Course Description:

This is an introductory course of microeconomics that provides a broad range of models in microeconomics. In addition to the materials covered in the textbook, other topics will also be introduced, such as game theory, time value of money, and economics of uncertainty and information. Although there is no strict pre-requisite of this course, students need to have some mathematical abilities to do well in this class, including the familiarity of high school algebra and some basic concepts of calculus. As this course covers many topics, including those beyond the textbook, it is critical that students attend each class, preview each Chapter before coming to the class, and keep up with the readings all the time.

Pre-requisite:

Students are expected to have familiarity with high school algebra and some basic concepts of calculus. Hence, students are strongly recommended to take Math 135 and above before taking this course.

Required Textbook:

Microeconomics for Today, 8th edition, by Irvin Tucker, South-Western Cengage Learning, with **ISBN10:** 1-133-43506-8 and **ISBN13:** 978-1-133-43506-8. See the following link for more information.

http://www.cengagebrain.com/shop/search/9781133435068

I will also send additional information to students via the email addresses listed under the Highlander Pipeline. It is the responsibility of the students to make sure that their email addresses listed are the ones they actually use.

Supplemental Materials:

Student can also watch the free videos for relevant topics at http://www.youtube.com/user/jodiecongirl?feature=results_main.

Exams:

There are three exams, two midterms and the final exam. The materials in the exams are not cumulative, but the early topics may become the bases for the later ones. If a student must miss an exam due to unavoidable reasons, the student needs to contact me as soon as possible *before* the exam. If I did not hear form the student in advance, there would be no make-up exam.

In-class Quiz & Class Attendance:

In most of the classes, there will be an in-class quiz of multiple choices. The questions in each quiz test students the materials covered in both the previous class and the current class. To do well in the quiz, students need to review the materials covered in the previous lecture, pay attention to the current lecture, and *preview* the new materials, including the quiz questions at the end of each chapter. Although make-up quizzes are usually allowed before quizzes are returned, if a student misses more than *five* quizzes, the students will lose the privilege to make up for any more missed quizzes. When there is no quiz in the class, I might circulate the Attendance Sheet in the class. In most of the classes, I will cover materials beyond the textbook, which will also be tested in the exams. Therefore, the attendance of students in *every* class is strongly recommended since the opportunity cost of missing a class is very high.

Caution:

Students should *not* take both Econ 265 and Econ 266 during the same semester.

Grading:

Grades are calculated based on the attendance and class participation (about 5%), quizzes (25%), the first midterm (25%), the second midterm (25%), and the final exam (25%). Most importantly, all the efforts must be made during the semester. There is absolutely no extra assignment for students to do to improve their grades after the students take the final exam.

The grade (G) of a student is determined by the sum (S) of all these scores in the following way:

If $S < 60\%$, $G = F$.
If $60\% \leq S < 70\%$, $G = D$.
If $70\% \leq S < 75\%$, $G = C$.

If $75\% \leq S < 80\%$, G = C+.
If $80\% \leq S < 85\%$, G = B.
If $85\% \leq S < 90\%$, G = B+.
If $90\% \leq S$, G = A.

Pre-communication:

I have many students and little time to track down students who did not show up in the class. Therefore, it is important for the students to be proactive. If you have any question or difficulty in learning the materials, please come to see me as soon as possible. If you cannot make it during my office hours, please e-mail me to make an appointment.

Honor Code:

All students are bound by NJIT's Honor Code. The students that are caught cheating will be subject to the disciplinary action of the Dean of Students.

Approximate Course Outline: (28 Classes)

Week 1 (September 03 & September 05)

Review of the Syllabus
Chapter 1: Introducing the Economic Way of Thinking
Appendix to Chapter 1: Applying Graphs to Economics
Chapter 2: Production Possibilities, Opportunity Cost, and Economic Growth

Week 2 (September 10 & September 12)

Chapter 2: Production Possibilities, Opportunity Cost, and Economic Growth
Chapter 3: Market Demand and Supply

Week 3 (September 17 & September 19)

Chapter 3: Market Demand and Supply
Chapter 4: Market in Actions
Chapter 5: Price Elasticity of Demand and Supply

Week 4 (September 24 & September 26)

Chapter 5: Price Elasticity of Demand and Supply
Chapter 6: Consumer Choice Theory

Week 5 (October 01& October 03)

Chapter 6: Consumer Choice Theory
Appendix to Chapter 6: Indifference Curve Analysis
Midterm I Part A or Part B
Midterm I Part A or Part B

Week 6 (October 08 & October 10)

Chapter 7: Production Costs
Chapter 8: Perfect Competition

Week 7 (October 15 & October 17)

Chapter 8: Perfect Competition
Chapter 9: Monopoly

Week 8 (October 22 & October 24)

Appendix to Chapter 3: Consumer Surplus, Producer Surplus, and Market Efficiency
Chapter 10: Monopolistic Competition and Oligopoly
Chapter 11: Labor Markets

Week 9 (October 29 & October 31)

Chapter 11: Labor Markets
Midterm II Part A or Part B
Midterm II Part A or Part B

Week 10 (November 05 & November 07)

Introduction to Game Theory

Week 11 (November 12 & November 14)

Chapter 15: International Trade

Week 12 (November 19 & November 21)

Introduction to Financial Economics – Time Value of Money

Week 13 (November 26 – Designated Thursday)

Chapter 12: Income Distribution, Poverty, and Discrimination

Week 14 (December 03 & December 05)

Chapter 13: Antitrust & Regulation
Chapter 14: Environmental Economics

Week 15 (December 10)

Introduction to Economics of Uncertainty – Risk Aversion and Risk Premium
Introduction to Economics of Information – Moral Hazard and Adverse Selection

Week 16

Final exam as scheduled

Note:

The course outline is subject to change. Although the sequence of the chapters will not change, some chapters can go longer or shorter than the class times listed above. Because of this, the exam dates are also subject to change, which is announced in the classroom. Students are responsible for showing up in *every* class to obtain the updated information and additional materials beyond the textbook that will also be tested in the exams.

Learning Goals/Outcomes:

To understand the concept of opportunity cost and sunk cost, and how to apply the marginal analysis to the decision making process to use resources efficiently.

To be able to apply market supply and demand curves to analyze different markets, and understand the differences between the movements and shifts of the demand and supply curves as well as the determinants that cause these changes.

To understand how different elasticities can be applied to the decision/policy making process for the consumers, producers, and the government.

To understand how consumers maximize utility subject to the budget constraints, and how producers maximize profits in the short run and in the long run.

To understand the different characteristics of market structures, namely, perfect competition, monopoly, oligopoly, monopolistic competition, the labor market and monopsony, and their implications.

To understand the basic concepts of cooperative game theory and non-cooperative game theory, and their applications in different contexts.

To understand why free trade is efficient and the perspectives of protectionism.

To understand the concept of time value of money and how it matters to the decision making process in using resources efficiently.

To understand the importance of income inequality or variance and its implications to decision/policy making process.

To understand the history and the development of the anti-trust laws in the USA.

To understand how to apply marginal analysis to the environment, as well as the policy instruments to achieve policy goals.

To understand the concept of risk aversion and decision making under uncertainties.

To understand the issues of asymmetric information, such as moral hazard and adverse selection.