

Principles of Microeconomics
Econ 103-A02; Summer 2014
MWF, 7:00 – 9:40pm – Planet 206

Instructor: Liya Palagashvili
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Office Hours: MWF: 5:30-6:30pm
Or Monday-Friday by appointment
Office Location: Enterprise 354

Required Text: N. Gregory Mankiw: *Principles of Microeconomics* (South Western Cengage Learning, Inc. 6th edition, 2012)

Recommended Text: Paul Heyne, Peter Boettke, David Prychitko: *The Economic Way of Thinking* (Pearson Series In Economics, 13th Edition)

Course Description: Economics has the power to capture the imagination of all students. In this course, I will introduce students to the economic way of thinking and demonstrate the power of economics. Upon successful completion, students will be able to understand their complex worlds using the tools of economics. Students will understand the market forces of supply and demand, competition, pricing, and firms and production. They will be able to apply the economic way of thinking to ordinary behavior, price changes, crime, policies, and a whole host of other exciting and intellectually rich ideas.

Course Learning Outcomes:

- Students will understand the economic way of thinking and be able to apply it to every day life
- Students will learn supply and demand analysis and understand price and quantity changes
- Students will be able to analyze the implications of policies such as the price controls and taxation, among many others
- Students will learn to look for the ‘unintended consequences’ of policies
- Students will understand firms, perfect competition, monopolies, and their pricing strategies
- Students will learn to think like an economist – asking questions of “as compared to what?” or “at what cost?”

Expectations: This is a rigorous and challenging course: I expect students to show up to all the lectures and have read the assigned material before the class. Although I do not take class attendance, participation is incorporated into the student’s grade. Attending the class lectures is *fundamental* to understanding the material and meeting the course objectives. If a student misses a class, it is the student’s responsibility to obtain class notes and assignments.

Assignments: There will be three homework assignments. Homework assignments will be worth 15% of the student's grade (5% for each). All assignment due dates are listed on the schedule below. *All assignments are due in the beginning of class. There will be no make-up assignments.* If a student cannot make it to class on the due date of the homework assignment, he/she may turn it in *before* the deadline.

Exams: There will be two exams worth 20% of the student's grade and a final exam worth 40% of the grade. ***There are NO make-up exams.*** Students are responsible for taking each examination as scheduled. *I will give a grade of "0" for missed exams.* In the event of an unavoidable extenuating circumstance, the student should let me know about the circumstance as far in advance of the exam as possible. If the absence is excused, the student may replace the grade of "0" for the exam with the grade he/she receives on the final. Thus, the final will be worth 60% or 80% of the student's grade, depending on whether the student misses one or two exams.

Each exam will be administered from 7:00pm to 8:15pm. Class will resume after each exam at 8:30pm.

The final exam is comprehensive. Any material covered in class from day one is potential material for the final exam. The final exam will be given only according to the University's schedule for final examinations (June 25th, starting at 7:00pm). I cannot change this exam date. This is the final exam date required by the University.

Participation: In class discussions are a crucial part of the learning experience in this course. In the beginning of each class, I will devote 5-10 minutes to discussing "economics in the news." Students can gain participation points by contributing to in-class discussions of the material or by bringing-up news that they have read that relates to the material we discuss in the class during the "economics in the news" part of class. Participation will be worth 5% of the student's grade.

Grading:

Homework assignments (5% each): 15%

Participation: 5%

Exam 1: 20%

Exam 2: 20%

Final Exam: 40%

A+ 98-100

B 83-87

C- 70-72

A 93-97

B- 80-82

D+ 68-69

A- 90-92

C+ 78-79

D 60-67

B+ 88-89

C 73-77

F < 60

Academic Dishonesty: Cheating will *not* be tolerated. If I suspect a student of cheating, I will seek appropriate punishment. Students should review George Mason University's Student Handbook (http://si.gmu.edu/documents/Student_Handbook.pdf) and Honor Code: (<http://mason.gmu.edu/~montecin/plagiarism.htm>).

Office of Disability Services:

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703.993.2474. All academic accommodations must be arranged through that office.

Week & Topic	Assignments, readings, and exams
5/19 Introduction to economics Economic way of thinking	First day of class Chapters 1 & 2
5/21: Economic way of thinking – applications Trade & Comparative advantage	Chapter 3 Hand out Homework 1
<i>5/23 & 5/26- University closed in observance of Memorial Day</i>	
5/28: Supply and Demand	Chapter 4
5/30: Supply and Demand, continued	Homework 1 Due Chapter 4
6/2: Supply and Demand analysis Elasticity Review for exam	Chapter 5
6/4: Begin Price controls	Exam 1 Chapter 6
6/6: Price Controls Analysis of policies	Hand Out Homework 2 Chapter 6
6/9: Producer and Consumer Surplus Welfare Taxation	Chapter 7
6/11: Continue welfare analysis Understanding Property Rights	Homework 2 Due Chapter 8
6/13: Externalities and Public Goods Public Choice	Hand out Homework 3 Chapter 10 & 11
6/16: Introduction to firm theory & costs	Exam 2 Chapter 13
6/18: Perfect Competition	Chapter 14
6/20: Monopoly	Homework 3 Due
6/23 Oligopoly & game theory (time permitting) Review for exam	Chapter 17
6/25	FINAL EXAM – 7pm