Basic Microeconomics  
ECON 1200 - L21  
Fordham University  
Summer 2016, July 5 - Aug 4

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Office Hours: By appointment  
Class: TWR, 6.00-9.00 pm, Leon Lowenstein Bldg. 910

Course Description: This course studies the basic principles of microeconomics, which explores how firms and individuals make decisions to meet unlimited wants and needs with limited resources. Microeconomics studies the processes underlying such decisions, and how they are aggregated into markets for goods and services within different contexts: that of perfect competition, monopoly, and of monopolistic competition. We also study the effects of various government policies, such as taxation, and their effect on the well-being of market participants, and consider the welfare implications of trade.

Course Objectives: By the end of the semester, students should be able to

- demonstrate the use and application of economic terms and theories to analyze basic economic phenomena.
- form an appreciation of the role of economics in society.
- understand how individuals, households, businesses, and the government make economic decisions in the face of resource scarcity.
- understand the working of markets and businesses.
- understand the behavior of industries.
- develop logical and concise thought about socio-economic issues might affect individuals.
- explain the importance of social responsibility and the discussion surrounding asymmetric information.
- understand how the government’s economic policies affect individuals, businesses, and society.

Course Materials:

- Aplia. Aplia is an online tool that is required for all students, as this is how you will complete most of required homework portion of the course.
Aplia
Most of the homework assignments will be completed using the Aplia Website. The Aplia site requires a separate registration process. You will only need to register once. After the registration process is complete, you will not need to enter the course key again. For any technical or sign-in problems, please send Aplia an e-mail by clicking the Support link in the upper-right corner of any page or by e-mailing support@aplia.com

Student benefits: By completing regular work in association with the lectures, you will be better prepared for the lectures and exams in the course. Cramming is not an effective method of learning. Think of the regular assignments on Aplia as a weekly workout. Practicing and applying what you are learning from Aplia and lectures will better prepare you for class.

Aplia assignments: Aplia assignments are graded. You will have three attempts at each question with your highest average counted. When you make a mistake in answering the question, you will receive feedback about your answer and an explanation of correct answer. Also, you have the option to save your work and come back later to finish the question and check your answer; however, if you choose this option and do not return, the work you had completed will be graded at the due date. After the due date passes, you will be unable to change your answers or submit any new work. The software does not care whether you have an excuse or not. These assignments are posted weeks in advance. Complete them early to avoid any emergencies preventing you from finishing them before the due date.

I require that you register with Aplia by the next class. If you are considering dropping this course during the drop/add period, do not make a payment until you are sure that you will remain in the course (Aplia does not provide a refund for a dropped course). You will need to pay the full amount before the end of the grace period to continue using the site (and to continue satisfactory progress in the course). In purchasing Aplia, you have a few options: (1) you may purchase the access card from the bookstore or (2) you may pay online with a credit card to Aplia directly. This course fee will include access to a digital copy of the text through the Aplia site. I do not require you to purchase a physical textbook for the course, but you are free to purchase one if you would like a hard copy. If you desire a physical textbook, you can purchase the text in the bookstore (used or new which may or may not come with an access card); you can also purchase the physical textbook on the Aplia website (new); or, you can purchase a used version at your own discretion. You should keep in mind that I do not require you to have a physical text for the course, this decision is simply up to you and how you believe you will have the highest level of success in the course.
COURSE INFORMATION

Assessment Criteria:

<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Date</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm</td>
<td>July 19</td>
<td>25%</td>
</tr>
<tr>
<td>Final</td>
<td>Aug 4</td>
<td>25%</td>
</tr>
<tr>
<td>Aplia Homework Assignments</td>
<td>Ongoing</td>
<td>21%</td>
</tr>
<tr>
<td>Quiz 1</td>
<td>July 7</td>
<td>6%</td>
</tr>
<tr>
<td>Quiz 2</td>
<td>July 14</td>
<td>6%</td>
</tr>
<tr>
<td>Quiz 3</td>
<td>July 26</td>
<td>6%</td>
</tr>
<tr>
<td>Quiz 4</td>
<td>Aug 2</td>
<td>6%</td>
</tr>
<tr>
<td>Attendance and class participation</td>
<td>Ongoing</td>
<td>5%</td>
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Grading Procedure: Quizzes are each worth 6%, totaling 24%. The Midterm and final Exam are worth 25% each. The Final Exam is not cumulative. Homework is worth 21%. Attendance and class participation is worth 5%.

Attendance: Attendance is REQUIRED. If you miss more than two (2) classes, then your grade will be affected. Seven (7) absences will result in failing the course. Tardiness is also unacceptable; as such, two (2) late arrivals will equate to one (1) absence. Disruptive behavior such as reading newspapers, doing work for other courses, or sleeping will result in you being marked absent. Lastly, every student is strongly encouraged to be an active participant in the classroom discussion.

Homework: The graded homework will be completed on Aplia. No late homework will be accepted.

Quiz: Quizzes are graded and completed during class time. There are no make-ups for missed quizzes.

CLASSROOM POLICIES

- Turn your cell phones off during class; it is simply a distraction to me and to your classmates.
- Turn off your iPods, iPhones, or other MP3 players and remove the earbuds from your ears during class. If I see them in your ears, I will assume that you are absent.
- Laptops are not allowed for use during class except when they are required to complete an assignment.
- Drinks such as water, tea, and coffee are allowed during class. Food and eating is not allowed during class.
- There are no make-up exams/quizzes.
- Late assignments will not be accepted.
- Attendance is mandatory.
• Students are expected to sit through an 85-minute class, if you leave, please do not return (this will be counted against your attendance record).

• Bring a calculator every day to class. They are REQUIRED for exams, and please note that cell phones are NOT acceptable as a use of a calculator.

**Communication:** I prefer to communicate via email rather than phone. If you send me an email and do not receive a response within 24 hours, please re-send it. A note about email etiquette: In every email correspondence with me (and really, with any instructor), please include the following:

1. A subject line that is informative ("Question about Chapter 2" or "ECON 102")
2. A professional salutation punctuated correctly ("Dear Dr. Trendafilov,"")
3. A message that is well written (correct spelling, grammar, and punctuation) and polite
4. A closing remark ("Thanks for your time")
5. A signature (Sincerely, Your Name)

**Snow Days:** In case of snow days there will be additional assignments announced.

**Academic Integrity:** Academic Integrity, a commitment to honesty, fairness, respect, and responsibility, is the foundation of the learning process. All members of the Fordham University community are held to the highest standards of academic honesty. While we recognize the participatory nature of education, we take academic integrity very seriously, and the College policy on academic dishonesty details the consequences.

As a student in this class, you must demonstrate your commitment to academic integrity by submitting work which originates in your own imagination, analytical faculties, or your own knowledge, which you have done yourself, and which represents your very best efforts. When appropriate, your work should be supplemented and supported by other sources; however, you must always insure that these sources are properly cited using the recommended documentation system.

**Accommodations:** Students needing accommodations for a documented disability should notify the instructor at the beginning of the semester.

**Policy on Electronic Devices in Classrooms:** Faculty have the discretion to regulate the use of electronic devices in classes, and students should not use such devices without the expressed consent of the professor. This policy covers cell phones, PDAs, laptop computers, or any other device the use of which might constitute a distraction to the professor or to the other students in the class, as determined by the professor.

**Tentative Course Outline:**

1. **Introduction to Economics.**
   
   *Major topics and key terms:* scarcity; economics; efficiency; opportunity costs; market economy; command economy; market failure; externality; inflation; productivity; circular flow; production possibilities frontier; macroeconomics; microeconomics; positive statement; normative statement; specialization; trade; absolute advantage; comparative advantage; imports; exports.
Read: Chapters 1, 2 (including appendix) and 3.
Practice Problems: Chapter 1 - 4, 7, 8; Chapter 2 - 4, 5, 6; and, Chapter 3 - 2, 3, 4, 5, 6, 8.

2. Demand, Supply and Market Equilibrium.
Major topics and key terms: market; competitive market; quantity demanded; law of demand; demand curve; normal good; inferior good; substitutes; complements; quantity supplied; law of supply; supply curve; equilibrium; equilibrium price; equilibrium quantity; surplus; shortage.
Read: Chapter 4.
Practice Problems: Chapter 4 - 1, 3, 7, 9, 10, 11

3. Elasticity, Supply and Demand Applications and Efficiency of Markets.
Major topics and key terms: elasticity; price elasticity of demand; total revenue; income elasticity of demand; cross-price elasticity; price elasticity of supply; price floor; taxes; welfare economics; consumer surplus; producer surplus; cost; efficiency; equality.
Read: Chapters 5, 6 and 7.
Practice Problems: Chapter 5 - 1, 2, 6, 8, 9, 10; Chapter 6 - 3, 4, 9, 10, 11; and Chapter 7 - 4, 5, 8, 10, 11.

Major topics and key terms: budget constraint; indifference curve; marginal rate of substitution; perfect substitutes; perfect complements; normal good; inferior good; income effect; substitution effect;.
Read: Chapter 21.
Practice Problems: Chapter 21 - 2, 3, 7, 9, 11, 13.

5. The Costs of Production.
Major topics and key terms: total revenue; total cost; profit; explicit costs; implicit costs; economic profit; accounting profit; production function; marginal product; diminishing marginal product; fixed costs; variable costs; average costs; marginal costs; efficient scale; economies of scale; diseconomies of scale; constant returns to scale.
Read: Chapter 13.
Practice Problems: Chapter 13 - 4, 6, 9, 10.

6. Perfect Competition.
Major topics and key terms: competitive market; average revenue; marginal revenue; shutdown; sunk costs.
Read: Chapter 14.
Practice Problems: Chapter 14 - 3, 4, 5, 10, 12.

Major topics and key terms: monopoly; natural monopoly; output effect; deadweight loss; price discrimination; antitrust laws.
Read: Chapter 15.


8. Monopolistic Competition and Oligopoly.

Major topics and key terms: oligopoly; monopolistic competition; excess capacity; advertising effect; game theory; collusion; cartel; Nash equilibrium; prisoners’ dilemma; dominant strategy; repeated game.

Read: Chapters 16 and 17.

Practice Problems: Chapter 16 - 2, 3, 5, 6, 7 and Chapter 17 - 1, 4, 5, 8, 9.


Major topics and key terms: factors of production; production function; marginal product of labor; diminishing marginal product; capital.

Read: Chapter 18.

Practice Problems: Chapter 18 - 2, 3, 5, 6, 9.

10. Public Sector Economics.

Major topics and key terms: common resources; cost-benefit analysis; excludability; free rider; private goods; public goods; rival in consumption; Tragedy of the Commons.

Read: Chapters 10 and 11.

Practice Problems: Chapter 10 - 1, 2, 5, 6, 10 Chapter 11 - 5, 6, 8.

11. Information Asymmetries.

Major topics and key terms: adverse selection; agent Arrow’s impossibility theorem; behavior economics; Condorcet paradox; median voter theorem; moral hazard; political economy; principal; screening; signaling.

Read: Chapter 22.

Practice Problems: Chapter 22 - 1, 2, 7, 8, 9.

Professor reserves the right to make changes.
IT'S IN THE SYLLABUS

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