PRINCIPLES OF MICROECONOMICS  
ECONOMICS 232 Section B  
SPRING 2006  
DAUCH 240  
MWF 9:00 A.M. - 9:50 A.M.  

Professor: Dr. Jeffrey E. Russell  
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Internal Web address: http://eagleweb.ashland.edu/student/courses/jrussell/courses.htm  
(Course notes, articles, PACKET, etc. Eagleweb password required)  
External Web address: http://www.ashland.edu/~jrussell  

Office Hours: MW 11:00 – 12:50, MW 2:00 – 3:00, or by appointment  

Prerequisites: None  

Course Materials: - A packet of material is available on-line at my internal web page. This packet contains homework assignments as well as in-class exercises and handouts. Students must print out this material PRIOR to the relevant class. If students prefer to purchase a hard copy of this material, please let me know. The cost of the hard copy will be greater than the cost of printing or xeroxing the material.  

Course Description: "Analysis of the pricing processes in a private enterprise economy under varying competitive conditions, their role in the allocation of resources, and the functional distribution of national income. Special emphasis is given to theoretical analysis as applied to business problems.”  

Course Objectives and Competencies:  
A. College Level Competencies  
1. Specialized business knowledge  
2. Managerial thinking skills  
a. Logical thinking  
b. Conceptual Thinking  
c. Application of theories and concepts to managerial problems and solutions  
3. Communication
B. Course Competencies

(1) Citizenship skills: Various approaches to the universal microeconomic problem. (Other economic systems and market economic system strengths and weaknesses)
   (a) Students will be able to describe society’s basic set of microeconomic problems.
   (b) Students will be able to recognize and describe in terms of efficiency and equity the microeconomic content of public policy issues.
   (c) Students will be able to analyze articles in terms of efficiency and equity microeconomic solutions to public policy issues.

(2) Consumer Skills
   a. Students will be able to describe the household’s basic set of microeconomic problems.
   b. Students will be able to qualitatively solve the household’s basic set of microeconomic problems.
   c. Students will be able to analyze articles intended for non-economists that address household decision making issues.

(3) Business Skills
   a. Students will be able to describe the firm’s basic set of microeconomic problems.
   b. Students will be able to qualitatively solve the firm’s basic set of microeconomic problems.

(4) Students will be able to analyze articles intended for non-economists that address business decision-making issues.

(5) Microeconomic reasoning skills: Rational Actors and Opportunity Costs.
   (a) Students will be able to describe the general structure and define the vocabulary of a microeconomic problem using the following terms:
      (i) Constraint
      (ii) Economic resource
      (iii) Competing ends
      (iv) Final goal
      (v) Price or opportunity cost
      (vi) Choice or decision
   (b) Students will be able to analyze the following microeconomic problems using the vocabulary of 3 (a).
      (i) Society’s microeconomic problem
      (ii) Household’s microeconomic problems
         1. Work/leisure choice
         2. Consumption choice

(6) Quantitative skills (Graphs)
   (a) Students will be able to state and summarize in a literary style descriptive and relational statistical information.
   (b) Students will be able to state and summarize in a literary style graphs, time series, bar charts, etc.
   (c) Students will be able to translate data into graphs, time series, bar charts, etc.
(7) Microeconomic based social science skills
   (a) Students will be able to describe the scientific method used in microeconomics.
   (b) Students will be able to analyze supply and demand shifts in the following generic markets:
      (i) Product market
      (ii) Resource market
      (iii) Students will be able to translate economic events into qualitative price and quantity predictions within a supply and demand framework.
   (c) Students will be able to describe perfect competition and explain its linkage to Pareto efficiency (i.e. the fundamental theorem of welfare economics).
   (d) Students will be able to describe and analyze various forms of market failure:
      (i) Imperfect competition (e.g. monopoly)
      (ii) Public goods
      (iii) Externalities
      (iv) An Anti-trust case
      (v) Public education (externality/public good)
      (vi) Pollution (externality)
      (vii) National defense (public good)
   (e) Students will be able to analyze real world solutions to market failure such as:
      (i) Defining property taxes
      (ii) Subsidies
      (iii) Regulation
      (iv) Vouchers

   Teaching Methodology: Lecture, discussion, and in-class group work.

   Course Guidelines:
   a) The Ashland University policy on plagiarism will be enforced.
   b) Students with disabilities who have documentation on file with Classroom Support services (105 Amstutz, extension 5953) are entitled to reasonable academic adjustments/accommodations under The American’s with Disabilities Act and Section 504 of the Rehabilitation Act of 1973. Qualified students are encouraged to identify themselves to professors early in the semester. It is the student’s responsibility to provide documentation for their disability to Classroom Support Services. Ashland University makes a great effort to provide equal access to all students who have documented disabilities.
   c) ATTENDANCE IS MANDATORY. Unannounced in-class exercises will occasionally be assigned with the point value of a homework assignment. If a student is not in class for one of these exercises, they will receive a 0 for the assignment. If a student misses class due to an acceptable conflict (e.g. Away games, illness) and provides Dr. Russell with a written (or email) explanation within five days of the absence, they will have the opportunity to make up the exercise points. It is the student’s responsibility to determine what assignments and lecture content was missed.
Assessment of Competencies/Evaluative Criteria:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percent of total grade</th>
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<tbody>
<tr>
<td>Quizzes</td>
<td>25%</td>
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<td>Basic understanding of material covered in the previous classes, as well as assigned articles, will be periodically tested. Approximately 5 quizzes will be given. The lowest score will be dropped. If the student misses a quiz, that will be the dropped score. The quizzes will be multiple choice.</td>
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<td>Midterm</td>
<td>25%</td>
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<td>The midterm will be a combination of multiple choice questions and analytical, problem solving questions. The multiple choice questions will be similar to the quiz questions. The analytical questions will be similar to the homework problems. Questions from the assigned readings may also be on this exam.</td>
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<tr>
<td>COMPREHENSIVE, 2-hour FINAL.</td>
<td>25%</td>
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<td>The final will be given on Monday, May 1, 2006 at 8:00 am</td>
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<td>Completions and in-class exercises</td>
<td>25%</td>
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<td>Completion and thorough understanding of all homework assignments and exercises is critical to your success in this class. Each homework assignment will be worth a maximum of 50 points. I will entertain questions in class the day the homework is due. Homework must be to me by 5:00 p.m. the day it is due for full credit. If it is turned in late, it will be worth a maximum of 40 points. In-class exercises will also be worth a maximum of 50 points each.</td>
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<td>Mock Interview. Prior to the last day of class, all students must have completed a &quot;Mock Interview&quot; at the Career Center. The interview must be video-taped by the Career Center. Prior to the interview, students must write a resume to be used in the interview, again with the assistance of the Career Center. This is a required component of this class. More detailed information will be distributed in class. Also, a sign-up sheet will be circulated in class to schedule times for the interview.</td>
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<td>Scale of Grades: (A – F including plus/minus)</td>
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SEQUENCE OF TOPICS
The following is a description of the general sequence of topics to be covered. I reserve the right to change this schedule as needed. Lecture outlines are posted as .PDF documents on my internal Web page. The notes may be updated during the semester; consequently, if you use the outlines, be sure you use the most current version. Lecture outlines are NOT a substitute for class notes. Class lecture may include material not found in these notes, and these notes may include material not covered in this class. Lectures may relate to material discussed in more than one class. The lectures are of varying length and are not separated by date of lecture.

Lecture 1 other systems
Lecture 2 market system basics
Lecture 3 rational actors
Lecture 4 op costs definitions
Lecture 5 graphs
Lecture 8 Supply and demand
Lecture 9 consumer surplus
Lecture 10 elasticity1
Lecture 11 Elasticity2
Lecture 12 Income and cross price elasticity
Lecture 14 taxes

Lecture 17 supply 1
Lecture 18 supply 2
Lecture 19 Martha Stewart
Lecture 20 Perfect competition

Lecture 21 Monopoly
Lecture 22 Game Theory segue