

Introduction to Microeconomics (01:220:102:16)

Instructor Roque Montero

Spring 2014

General Information about the Course

Contact Information	Email rmontero@econ.rutgers.edu Office New Jersey Hall 429 Office hours Tuesdays: 10:00am - 12:00pm and by appointment ¹ . NJ Hall, Room 306 (library)
Class Times and Location	Tuesdays and Thursdays, 6:10-7:30pm at Hardenberg Hall B5.
Course website	http://sakai.rutgers.edu Please make sure you receive all your notifications through Sakai and check the webpage regularly.
Prerequisites	640:111 (Pre-Calculus I) or 640:115 (Pre-Calculus College Math) or PLACEMENT TO CALCULUS.
Text	<i>Mankiw's Principles of Microeconomics, 6th edition</i> ² .

Method of Evaluation:

Your final course grade will be determined as follows:

Midterm I	03/04	30%
Midterm II	04/24	30%
Final	05/08	40%

Note: the dates of the midterms may change depending on the pace of the class.

No calculators, cell phones, Ipods or other electronic devices may be used during any of the exams.

Course Grading:

Your final letter grade will be determined according to the following distribution

Numerical Grade	Letter Grade
$x \geq 85$	A
$80 \leq x < 85$	B+
$75 \leq x < 80$	B
$65 \leq x < 75$	C+
$50 \leq x < 65$	C
$40 \leq x < 50$	D
$x < 40$	F

¹ You do not have to make an appointment to see me during my office hours. To make an appointment to meet outside of my office hours, please e-mail me.

² It is NOT required that you purchase the latest edition of this textbook. Feel free to save money by purchasing used earlier editions, as the basic structure and content of this text has been fairly constant over the last years.

Further Remarks:

- No make-up exams will be given unless written and validated reasons are provided. I will determine what situations warrant a make-up exam. You have 24 hours after the midterm to inform about your situation. The instructor is not permitted to allow any student to take the final exam any other day but on the last day of instruction.
- Before each exam, you will be intimated about the format of the exam.
- Cell phones must be turned off before the class begins.
- Cheating is unacceptable. Students are expected to adhere to the Student Code of Conduct outlined in the University Code of Student Conduct, which can be found at <http://policies.rutgers.edu/PDF/Section10/10.2.11-current.pdf>. Students are also expected to maintain academic integrity. Students who violate academic integrity are subject to sanctions. More information can be found at http://academicintegrity.rutgers.edu/files/documents/AI_Policy_9_01_2011.pdf

Attendance:

You are strongly encouraged to attend all classes. You will be responsible for all materials covered and assigned as well as every announcement made in class. If you expect to miss one or two classes because of any emergencies, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email will automatically be sent to me.

Course description and learning outcomes³:

This is a first course in microeconomics. The objectives of this course are to develop an understanding of how economists approach problems, to learn about the tools that are used by economists in solving problems, to integrate this material as it applies to the various important fields of economics such as industrial organization, public finance, and international trade and finally, to understand the manner in which solutions to problems are applied through economic policies in the real world.

In this course, students will learn:

1. Basic economic concepts including opportunity costs, scarcity, positive and normative economics.
2. How to analyze production possibilities of firms and countries, the sources of their comparative advantages, and gains from trade.
3. How to use the supply and demand model to understand how markets work.
4. How elasticity is calculated and its relevance to understanding markets.
5. How to analyze consumer behavior with respect to decisions about consumption, savings and employment.
6. How to analyze decisions firms make about pricing, output, employment and investment.
7. How to analyze the behavior of firms in alternative market structures including perfect competition, monopoly, monopolistic competition and oligopoly.

³ The department's learning goals for the economics major can be found on the department webpage: <http://economics.rutgers.edu/undergraduate>

8. How to apply basic game theory to strategic interaction between companies and individuals
9. How to use the concepts of equity, efficiency, and market failure to analyze and evaluate government policies such as price floors and ceilings, tax policy, environmental policy, etc.
10. How to apply economic concepts and ideas to situations not specifically covered in class.

Tentative Course Outline

Date	Chapter	Topic
01/21	1	Ten principles of economics
01/23	2	Thinking like an economist
01/28	3	Interdependence and the gains from trade
01/30 – 02/04	4	Market forces of supply and demand
02/06 – 02/11	5	Elasticity and its application
02/13 – 02/18	6	Supply, demand, and government policies
02/20	7	Efficiency of markets
02/25	8	The Costs of taxation
02/27		Review Session
03/04		MIDTERM I
03/06	10, 11	Externalities and public goods
03/11	12	Design of the tax system
03/13 – 03/25	13	Cost of production
03/27 – 04/01	14	Perfect competition
04/03	15	Monopoly
04/08	16	Monopolistic Competition
04/10 – 04/15	17	Oligopoly
04/17	18	The Markets for the Factors of production
04/22		Review Session
04/24		MIDTERM II
04/29 – 05/01	21	The theory of Consumer Choice
05/06		Review Session
05/08		FINAL EXAM