

ECONOMICS 102
SPRING 2014
11:30-12:50 MTH

RUTGERS UNIVERSITY
DEPARTMENT OF ECONOMICS

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INTRODUCTION TO MICROECONOMICS

COURSE DESCRIPTION: This course provides an introduction to economics, and to the tools and applications of microeconomics. Microeconomics is the branch of economics that focuses on decision-making by individual people or entities, such as consumers who buy things, firms that produce things and sell things, workers who decide where and how much to work, and students who decide how much time and money to invest in education. The methods we use to analyze these different kinds of decisions have common elements; these elements are the foundation of microeconomics, and can be applied to many kinds of decision beyond those we discuss in the course. We also analyze the general social consequences of individuals' decisions when individuals interact, and examine conditions under which restrictions on decisions and interactions (in particular, from government policy) can improve general welfare.

SUMMARY OF LEARNING OUTCOMES: Students who satisfactorily complete Introduction to Microeconomics will understand and be able to discuss and use methods employed in the most common applications of microeconomics. This knowledge will prepare them to pursue more advanced and specialized economic study, or to explore and research economic topics independently or in other disciplines. They will know, and understand the basis for, some of the most fundamental conclusions economists have reached about how economic decisions should be made, such as the benefits and shortcomings of free exchange, and when and how a government can beneficially intervene in an economy. Knowledge of the latter will greatly enhance an informed evaluation of existing or proposed government policies.

PREREQUISITES: Math 111 or 115 (pre-calculus), or placement into calculus.

METHOD OF EVALUATION: Your grade will be determined by your performance on two in-class midterm exams, a final exam, and homework. The midterm exams each comprise 20% of the total points and will be given in class on **Thursday, February 27** and on **Thursday, April 10**. The final exam comprises 35% of the total points and will be given on **Thursday, May 8 from 8:00-11:00 a.m.** Homework comprises 25% of the total points.

Note: missed exams are excused only for medical reasons, and only with a signed form from a physician's office and confirmation of the visit by the instructor. In addition, the student or someone acting on behalf of the student must notify the instructor within 24 hours after the missed exam that a medical excuse is pending. A make-up date must be arranged if an exam is missed.

If you know that you will not be able to attend class on a midterm exam date because of a religious holiday, you must notify the instructor of this by Friday, February 7.

If you expect to miss one or two non-exam classes because of illness or a family emergency, please use the Rutgers absence-reporting website <https://sims.rutgers.edu/ssra/> to register the date and reason for your absence. An email is automatically sent to the instructor.

Please turn off cell phone ringers during class. If one or more of your classmates are distracting you by using electronic devices in class and you are not comfortable speaking to them about it directly, please let the professor know about it. Electronic devices, including calculators, cannot be used during exams.

Solutions to exams and other materials and announcements will be distributed via a Sakai site for the course. The general Sakai address is <https://sakai.rutgers.edu/portal>; the course site title is “2014 Intro Micro 102.”

TEXT: The required text is *Microeconomics*, by Paul Krugman and Robin Wells. The 3rd edition has been ordered for the Rutgers bookstore. As of January 16, Amazon.com had new copies for immediate shipment for \$151.48, and used copies of 3rd and 2nd editions sold by outside vendors for much less than that. The Amazon price for a new 3rd edition is less than the new price quoted by the bookstore (also as of January 16). You may buy a 1st or 2nd edition of the same book if you are able to find them and you don’t mind adjusting to some minor differences (e.g., different chapter numbering; some different examples).

HOMEWORK: Homework assignments will be given through the Sapling Learning website. The site provides the questions, grades your answers, and keeps track of your scores. You must purchase a Sapling account for the semester. The price is \$30 if you only purchase an account for homework; you can also choose to pay \$80 and get both a homework account and an online 3rd edition of the textbook. Instructions for how to buy an account were sent out separately in an announcement over Sakai; the general website is <http://saplinglearning.com>, and clicking “US Higher Ed” leads to a relatively self-explanatory purchase sequence.

OFFICE HOURS: Mondays 9:00-10:00 and Thursdays 2:00-3:00. The Thursday office hour may be switched to an hour on Wednesdays later in the semester; if so, there will be an announcement.

This course satisfies Core Curriculum Goal SCL (Social Analysis).

Statement of general learning goals for economics majors

1. “Economic Literacy”: Students who complete the major in economics should understand and be able to articulate, both orally and in writing, the core economic principles, concepts and theories that form the foundation for modern economic analysis and economic research.
2. “Economic Numeracy”: Students who complete the economics major should be familiar with the tools, techniques and methods of empirical economics. They should be able to analyze data using computer applications and should be familiar with regression methods and other statistical techniques. They should be able to read and assess general interest articles on economic topics. In addition, they should be able to understand and evaluate key findings in published economic research from a wide range of sources including academic economists, public policy think tanks, and government agencies.
3. “Economic Citizenship”: Upon completion of the major students should be able to apply their understanding of core concepts and quantitative tools to analyze and research real world problems and evaluate alternative economic policy proposals on microeconomic and macroeconomic issues.
4. “Economic Scholarship”: Qualified majors should have an opportunity through such avenues as advanced coursework, faculty interactions, national and local competitions and honors courses and programs to utilize up-to-date methodological tools and become fully engaged in economic research and issues on the frontiers of economics.

The below is an estimate of when we will cover topics and the corresponding book chapters, though we are liable to depart from this schedule. The exam dates and times will not change. Chapter and page numbers refer to the 3rd edition of Krugman/Wells.

WEEK OF	MATERIAL	ASSIGNED TEXT CHAPTER(S)
January 23	Introduction; Math and Graphs in Economics; Specialization and Free Exchange	1, 2 Appendix, 2, 8 (pp. 211-221)
January 27	Specialization and Free Exchange Supply and Demand	2, 8 (pp. 211-221) 3
February 3	Supply and Demand; Gains from Trade	3, 4
February 10	Price and quantity controls; Price elasticity	5, 6
February 17	Price elasticity; Taxation	6, 7
February 24	Taxation; International Trade and policy	7, 8 (pp. 221-239)

First Midterm Exam Thursday, February 27

March 3	Consumer choice	10
March 10	Firm production and costs; Profit maximization and supply	11, 12

Week of March 17: Spring recess, no class

March 24	Profit maximization and supply; Monopoly	12, 13
March 31	Monopoly; Externalities	13, 16
April 7	Externalities; Public Goods	16, 17

Second Midterm Exam Thursday, April 10

April 14	Public Goods; Risk and Insurance	17, 20
April 21	Risk and Insurance; Social Insurance	20, 18
April 28	Social Insurance; Factor Markets	18, 19
May 5	Factor Markets and Income Distribution;	19

Monday May 5 is final class meeting

Final Exam Thursday May 8 8:00 a.m.-11:00 a.m.