Econ 201 Economic Principles I (Principles of Microeconomics)

Spring 2014, 12:35pm (Maguire 110), 2:45pm (Corboy 322)

Catalog Description: ‘This course is an introduction to demand and supply, consumer choice, price analysis in alternative industrial organizations, and the distribution of income’.

Course Overview: The course introduces the student to the principles of microeconomics and more importantly the microeconomic way of thinking. The course shows the student there is a certain logic and quantitative approach to examining consumer and firm behavior. Topics include supply and demand, elasticity, market efficiency, taxation and impacts, externalities, public goods and free rider problem, common resources and the tragedy of the commons, production and costs, competitive firm pricing and output, monopoly firm pricing and output, monopolistic competitive firm pricing and output, oligopoly firm pricing and output, and lastly factor allocation.

Outcome: The students will begin to think critically about the human behavior of the consumer, firm, and government. The student will begin to understand the formation of price and how certain institutions impact this formation.

Course Objectives and Learning Outcomes
1. Begin to understand the microeconomic way of thinking.
2. Begin to understand the standard microeconomic framework used by most government, academic and business economists
3. Begin to understand opportunity costs and the scarcity of all factors of production.

Required Materials:
2. Course materials are available on Blackboard.

Additional recommended reading: In addition to the reading in Mankiw, keeping up with the latest economic data should make the course more interesting. For economic news have a look at the Wall Street Journal or the Economist magazine. For a sample of economic commentary and analysis see CNBC.

Exams: Three exams each at 100 points. Exam 3 is not cumulative/comprehensive. The format of each exam is 30% multiple choice and 70% written or computational. The 70% written or computational will come from a posted set of questions. See exam dates on page 3 and make up exam policy on page 2.
Grading: Grades are determined by performance on the three exams each weighted equally.


Extra Credit: If you do better on exam 2 than on exam 1, then half of the improvement in exam 2 (exam 2 score – 1st exam score) will be added to your exam 1 score. If you do better on the exam 3 than on exam 2, then half of the improvement in your final exam score (final exam score – exam 2 score) will be added to your exam 2 score.

Quinlan School of Business Policies:

Attendance: Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.

Random attendance will be taken during the semester.

Make-Up Examinations: Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. Make-up examinations are discouraged. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

NOTE: Make-up exams will not be given after exams have been passed back to the students.

Academic Integrity: All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:
Proposed Course Outline
See Chapter Titles
Ten Principles of Economics 1
Thinking like an economist 2
Forces of Supply and Demand 4
Elasticity and Applications 5
Supply, Demand, and Government Policy 6

EXAM 1, February 12th, Wednesday
Efficiency of Markets 7
Taxation: Application 8
Externalities 10
Public Goods and Common Resources 11
Design of the tax system 12

EXAM 2, March 26th, Wednesday
Production and Costs 13
Firms in Competition 14
Monopoly 15
Monopolistically Competitive 16
Oligopoly 17

EXAM 3 (not comprehensive/not cumulative), TBD, See Announcements in blackboard