Economics 201- Section 103: Principles of Microeconomics. Spring 2014. 09.20 – 10.10 MWF. Corboy Law Center Room 207.

**Catalog Description**

Requirement: ANTH 100, PLSC 102, PSYC 100 or SOCL 101 for students admitted to Loyola University for Fall 2012 or later. No requirement for students admitted to Loyola prior to Fall 2012 or those with a declared major or minor in the Department of Anthropology, Department of Criminal Justice, Department of Economics, Department of Psychology, Department of Political Science, the Department of Sociology, Human Services or the School of Nursing.

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

Outcome: Students will be able to think critically about price formation in different market structures, and how prices, household incomes and income distribution in a diverse society are determined with interpretations based on the concepts of opportunity costs and decision making under uncertainty.

**Course Overview**

This course will introduce you to the subject of microeconomics: the study of how individuals, firms, and other organizations interact in a market economy. The following learning outcomes should serve as a guide to the important issues that you should learn for the exams.
# Course Objectives and Learning Outcomes

Course Objectives:

- know how scarcity influences choices.
- understand why Economics is a science.
- be able to explain the law of demand and the law of supply.
- understand the difference between a change in demand (supply) and a change in quantity demanded (supplied).
- understand how a change in demand or a change in supply influences equilibrium price and quantity.
- understand the essential features of the price system.
- understand the economic impact of price ceilings and price floors.
- understand the economic impact of market failures.
- understand why diminishing marginal utility exists.
- understand how a consumer goes about maximizing utility.
- be able to compute the elasticity of demand for a product.
- be able to use income elasticity to determine whether a good is inferior or normal.
- know the characteristics of a competitive, monopolistic, monopolistic competitive and oligopolist market structures.
- know the main organizational forms of business.
- know the advantages and disadvantages of the main organizational forms of business.
- know the difference between the long-run and the short-run from a firm’s standpoint.
- understand why the marginal physical product declines when a variable input is added to fixed inputs.
- describe the short-run and long-run cost curves a firm faces.
- identify when economies of scale or diseconomies of scale exist.
- identify the characteristics of the four market structures.
- determine how the profit maximizing quantity is determined in each of the four market structures.
- determine how the profit maximizing price quantity is determined in each of the four market structures.
- know short-run and long-run profit possibilities in each of the four market structures.
- know when firms will enter or exit the industry in each of the four market structures.

Required Materials.

ISBN# 9781464132728. The textbook is available in the Loyola Bookstore – Water Tower Campus.

Suggested Supplementary Resources (if any)
The Study Guide will also be available in the Water Tower Campus Bookstore.
Software: www.worthpublishers.com/krugmanwells

Course Requirements and Grading Criteria

Grading System/Policy
The course grade will be determined by four (4) exams and each exam will contain 40 multiple choice questions. Students may drop their lowest grade and count the second lowest grade twice. The final must be taken by everyone and will count in the grade determination. All exams are comprehensive. All students are expected to adhere to the university standards for honesty and integrity.
### Course Grading Scale

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### Loyola University Grading Scale

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### 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.

**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.

**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.


**Class by Class/Week by Week Course Outline:**

**Topic & Assignment/Readings**

All readings are in the Krugman/Wells text.

**Part I. Introduction to Economics and Microeconomics.**


Chapter 2. Economic Models: Trade Offs and Trade. Pages 25 - 48

Exam 1.

**Part II. Market Analytics.**

Weeks 4, 5, and 6. February 3 – February 17.


Exam 2.
Part III. Economic Analysis of Individuals and Firms.

Weeks 7, 8, and 9. February 18 – March 7.


Exam 3.


Weeks 10, 11, and 12. March 17 – April 25.


Final Exam.

**Final Exam Month/Day**

Saturday, 3 May. 1:00 p.m. – 3:00 p.m.

**Please note:** This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.