

# **Econ 1201-5 (Spring 2012)**

## **Principles of Microeconomics**

M/W/F 9-9:50 am  
Monteith room217

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**Office hours:** M/W 9:50-10:50 am or by appointment

### **Brief Description**

Economics is the study of choice, i.e. decision making in a world of limited resources. This course is an introduction to microeconomics, which intends to understand the following topics, like what happens on the market, how a consumer or a firm or even a country makes rational decisions, how the “invisible hand” (price) of the market works through the decision making process of firms and individuals, how taxation affects the outcome of the market, how about the cases “markets fail”, and how prices, quantities, and profits are determined for different firms, etc.

The main objectives of this course are

- to understand the key economics concepts, such as opportunity cost, comparative and absolute advantages, normal good, and inferior good, consumer/producer surplus, equilibrium, equality and efficiency, etc;
- to introduce analytic tools to examine the large number of decision-making activities in the economy, like circular flow diagram, demand curve, supply curve, which are the factors determining the quantity demanded and which are the factors to increase/ decrease demand; and
- to apply these tools to the real world problems, i.e. we will examine some examples by using those concepts and tools, like why there should be a patent for a new invention, in what cases the tax distorts the economy while in what cases the tax “corrects” the market outcome, why sometimes there can be only one seller survive on the market, and why the monopolist can charge a relative high price than the sellers which are on a competitive market, etc.

I hope this course could motivate your interests in further exploration in economics.

### **Textbook**

Required:

Principles of Microeconomics

Author: Gregory Mankiw

Fifth edition.

My lectures will base on the contents in the book. You can study with the class notes only, but you are strongly recommended to buy the one. Reading the textbook before and after lectures will benefit you.

## Grading

In-class midterm	30%
In-class final	40%
Homework and quizzes	25%
Class Participation	5%
*Extra credit	15%

Quizzes will be announced at least one class in advance. Typically it will be to understand of some important concepts and principles, or to solve very similar problems as we would do in class. The format will be questions and responses. The goal of quizzes is to emphasis the objectives which should be known. Each quiz will be graded in points and weighted equally. There will be 2-4 quizzes this semester.

Solving problems in the homework is a good way to test yourself and apply what we would learn in class. Check plus means it is fairly good and worth 10 points; check means it has some mistakes but the work is complete, worth 7 points, and if some parts are missed will get a check minus which worth 4 points. There will be 5-7 homework sets this semester. Some chapters may be combined. Yet, typically, there will be either a quiz or a homework set each chapter.

Group study is encouraging, but the homework should be the work on your own. No late work is acceptable. Electronic version of the homework is fine but not preferred.

The dates for the midterm and final will be announced later. The final is not accumulated, but basic concepts and rationales are required all over the semester. There are review sections before either exam.

Extra credit will be offered to make up the points you may lose somewhere. It will be a three-page long, single space writing project. I will announce the requirements with details for that after midterm.

## Outlines of the Course

Introduction:

-Ten Principles of Economics

- How to think like an economist: Two models and some concepts

International Trade

How the markets works:

-Demand

-Supply

-Equilibrium

-Elasticity

-Policies to change the market equilibrium: Price control and taxation

Market efficiency--- a welfare analysis

(skip chapter 9)

One case of Market failure: Externalities and Public goods

(skip chapter 12)

- Midterm exam probably will be around here. (TBA)

Consumer's behavior

Firm's behavior:

-Costs

-Competitive market

-Monopoly: Market power is the other case of the market failure

If we have time, we can briefly look at the other two market structures and the factor markets, like labor market.

- Final exam

## **Academic Integrity**

From UCONN's Student Code:

A fundamental tenet of all educational institutions is academic honesty; academic work depends upon respect for and acknowledgement of the research and ideas of others. Misrepresenting someone else's work as one's own is a serious offense in any academic setting and it will not be condoned. Misconduct includes, but is not limited to, providing or receiving assistance in a manner not authorized by the instructor in the creation of work to be submitted for academic evaluation (e.g. papers, projects, and examinations); any attempt to influence improperly (e.g. bribery, threats) any member of the faculty, staff, or administration of the University in any matter pertaining to academics or research; presenting, as one's own, the ideas or words of another for academic evaluation; doing unauthorized academic work for which another person will receive credit or be evaluated; and presenting the same or substantially the same papers or projects in two or more courses without the explicit permission of the instructors involved. A student who knowingly assists another student in committing an act of academic misconduct shall be equally accountable for the violation, and shall be subject to the sanctions and other remedies described in The Student Code.

*Enjoy the semester and new knowledge~*