

Fairfield University

MICROECONOMICS

R.A.KELLY

FALL 2006

COURSE OUTLINE

I. SCHEDULE OF TOPICS

A. Introduction to Economics

1. What is Economics? Ch. 1 Microeconomics. McEachern 6th Edition
2. The Implications of Scarcity Ch. 2 pp27-39

B. Prices and Markets

1. Demand Ch. 3
2. Supply pp.52-5
3. Market Equilibrium pp.55-62
4. Disequilibrium pp.63-5
5. Markets and the Public Sector Ch. 4 & 16

C. Consumer Behavior: What is Behind Demand?

1. Responding to Market Disturbances: The Concept of Elasticity Ch. 5
2. Marginal Utility and Consumer Behavior Ch. 6

D. Producer behavior: What is Behind Supply?

1. Choosing the Method of Production
2. Producer Choice: Costs & Profits in the Short-Run Ch. 7
3. Returns to Scale: in the Long-Run pp.150-5

E. Markets in Action

1. Supply & Profit in Competitive Markets Ch. 8
2. Supply & Profit in Monopoly Markets Ch. 9
3. Supply & Profit in Imperfect Markets Ch. 10
4. Why a Global Economy? Ch. 19

In keeping with the mission of Fairfield University, this course seeks to stimulate and develop the creative, intellectual nature of students by introducing them to the tools of economic analysis and by applying the tools of economic analysis to simulations of real world resource allocation problems. The course stresses that the ultimate utility of economic analysis is not for personal, financial enrichment but rather to help us fulfill our responsibilities to God and to society.

For Our Second Class:

1. Purchase the text book and the PRS Clicker. (The Excel Workbook is optional.)
 2. Read: Ch.1 & 2. in McEachern.
 3. Visit RACK's E11 Home Page. Please read Assignments & Grading and Study Tips.
<http://www.faculty.fairfield.edu/faculty/rakelly>
 4. Do: Study Guide SG#2 (See Home Page)
 5. Do Problem Set PS1-C4 (See Home Page "NOTES" w/links to Chapter Problem Sets)
- n.b., *Cooperation on homework assignments—if it helps you learn—is encouraged.*

II ASSIGNMENTS & GRADING

A. Course Resources

1. Microeconomics. McEachern. South Western. 6th Edition.
2. Wall Street Journal or New York Times Daily.
3. Newsweek, Time, or U.S. News and World Report. Weekly.
4. RACK's Home Page: <http://www.faculty.fairfield.edu/faculty/rakelly>
Alternate paths: a. Go to Fairfield's home page and choose the following links:
Academics → School of Arts & Science → Departments → Social Science
→ Economics → Faculty → R.A. Kelly
b. Go to Fairfield's PipeLine and load your economics course, EC.11

B. Counseling: Room 324 Donnaruma Hall

Tuesday: 10:45 - 12:00
Wednesday: 10:00 - 11:00
Friday: 10:45 - 12:00

C. Grading Policy

Your course grade will be determined on the following basis:

Quizzes & Homework assignments class participation	60%
Final comprehensive exam	40%

QUIZZES:

Your professor is committed to the view that testing is for students; not professors. Accordingly, every attempt will be made to accommodate the wishes of the class majority. In the past, students have preferred be a quiz opportunity-approximately every other week--about six in total. To give you some control and to allow for an illness or other personal problems, **you may choose to skip one of every three quizzes for whatever reason.** If you choose to take all of the quizzes offered, the lowest one-third of your quiz scores will be dropped in calculating your pre-exam average. Beyond one missed quiz of each three offered, a note from your dean will be required to arrange a make-up quiz. Learning to meet responsibility is part of what college is all about. Special quiz arrangements will be made for students missing a quiz due to official University business.

CLASS Preparation & PARTICIPATION:

You are expected to be prepared for class, and are **encouraged to actively participate** in classroom activity. Students will be selected either voluntarily or at random to review previous classes, explain problem sets, or discuss text assignments. Problem sets from the class web site will be assigned on a regular basis for class discussion. Be prepared to contribute. On occasion, students may be asked to present and explain assigned problem sets. You are expected to read the text **before** our class discussion begins. Each new chapter will be begun with a multiple guess "Chapter Study Guide." These will be distributed in class and will normally be due on the day a new chapter is begun. You will receive a course participation score for completing each exercise. The **"Class participation" group of scores will count as one quiz grade.** It can be your friend or enemy. If you are absolutely terrified of class participation or if you like to sleep late, this will likely be one of your throw away quiz scores. i.e., Plan on doing well enough on the regular class quizzes so that your class participation score can be one of your dropped quiz scores. In class, we will also use Personal Response Clickers (PRS) which will give you immediate and regular feedback on the progress you are making. You will receive some class participation points for using the PRS clickers.

FINAL EXAM:

As the University requires, the final will be a comprehensive exam. I am more concerned that you make progress in learning the discipline of economics than I am that you never make a mistake. Students in my classes have historically produced good final exams. Accordingly, a relatively large weight is placed on the final exam, and it is the one quiz for which there is no opportunity to recover from a poor performance. However, *should the holy ghost shine upon you during final exam, an "A" on the final will get you an "A" for the course, whatever your pre-exam average.* i.e., In my courses, there is always hope. **Do not give up; keep trying!**

GRADES: The University has established the following criterion for awarding grades:

A - Excellent: high achievement, unusual initiative, and creative work. Typically, this is about 10% of the class.

B - Superior: clearly above average. This includes approximately the next 20% of the class. Contrary to the opinion of some students, it is not the grade guaranteed for paying your tuition on time.

C - Acceptable Performance: This is taken to mean average performance among Fairfield University students, and I try use the previous students who have taken this course as my sample. Ultimately, it is you, not I, who set standards at Fairfield. I simply do my best to estimate where that standard lies.

D - Less than acceptable achievement, but sufficient knowledge demonstrated that the course need not be taken again. The grade curve need not include this value, but typically it does.

F - Failure: this grade is awarded for sloth.

I know no way to guarantee that your performance will be superior to that of your peers, but there is absolutely no reason why anyone should fail this course. There is nothing esoteric about economics, but if, for some reason, it gives you difficulty, **come and see me early** and I will give you personal guidance.

D. SPREADSHEET SKILLS (LOTUS or EXCEL)

The Economics Department has prepared a Workbook of spreadsheet exercises which are **optional in this class unless you are an economics major**. They have been introduced to the course as a means of encouraging the development of computer literacy. Any student who completes all of the assigned exercises will receive bonus points equivalent to guaranteeing the next score on the grading scale as a final course grade. e.g., a final course average of C- would be converted to a C; a B+ would be converted to an A- etc.

You are encouraged to cooperate with fellow students in learning spreadsheet skills, *but you are expected to develop the skills necessary to complete all of the assignments. When you turn in a spreadsheet assignment you are asserting that you have the skill level necessary to complete that assignment.* If you are selected to demonstrate the skills, which you have asserted you possess, and you can not do so, the price will not be forfeiture of the bonus grade points, rather it will be failure of the course. It is not my job to give you computer skills; in fact, some University professors are adamantly opposed to this "job skills training." But I have this skill and am willing to share it with you. However, I do not want to be a policeman. Do not look for a free ride: be honest, do the work, and you will learn a valuable lifetime skill.

E. CRITICAL THINKING

An important goal of this course, is to help you develop critical thinking skills for the discipline of Economics. In his book Critical Thinking, Michael Lipman defines critical thinking as skillful, responsible thought that facilitates good judgment because it (1) is based on criteria, (2) is self correcting, and (3) is sensitive to context. The vast majority of mistakes people make in rational judgment occur not because they do not have the capacity to reason but rather because they lack information or do not understand the empirical foundations of the information they do have. What economists do is to examine resource allocation problems through the filter of efficiency. You will be introduced to the tools of economic reasoning so that when it comes to resource allocation problems you will be able to think like an economist. In practice what this means is that you will learn to use chains of deductive reasoning in conjunction with simplified models (abstractions) of economic processes.

F. THE MORAL OBLIGATIONS OF TEACHING

The course should assist participating students to develop a level of economic knowledge which will make them **competitive**. If you play my game (i.e., follow my lead), I promise that you will complete this course with a competitive level of knowledge.

Evaluation of student achievement ought to be **fair**. Unfortunately, fair means different things to different people, but I do the following things to make my evaluation of you as fair as I can:

1. **Reasonable standards** are set for you reach. Unfortunately, what is reasonable is a highly value laden term. I use the level of mastery of economics achieved by previous Fairfield students taking this course as the basis for determining what you must achieve to satisfactorily complete this course. I hope that you will agree that is a reasonable standard for you to reach.

2. All portions of tests which involve subjective scoring will be conducted **"name blind."** This is to assure equal treatment. You may not agree with my deductions, but they will not be personal.

3. All tests will be **graded on a curve**. I assume that the best student is deserving of an "A." Should

there be no "natural A's," on a test, I will add the number of points necessary to turn the highest score to a 95. The tests of all other students will receive the same number of points added to their score.

4. **Sample questions** will be made available so that students will know on what basis they will be judged and so that those interested may prepare. The workbook for this course consists of old test questions.