

**TEXAS A&M INTERNATIONAL UNIVERSITY**  
**A.R. SANCHEZ, Jr. SCHOOL OF BUSINESS**  
**Division of International Banking & Finance Studies (DIBFS)**

**COURSE SYLLABUS**  
**Fall 2013**

**Course:** ECO 2302: Principles of Microeconomics  
**Instructor:** George Clarke, Associate Professor  
**Office Hours:** Office: WH219B  
Phone: (956) 326 2555  
Office Hours: TR 4:30PM-6:00PM; W 6:00PM-7:00PM  
**E-mail:** [GEORGE.CLARKE@TAMU.EDU](mailto:GEORGE.CLARKE@TAMU.EDU)  
It is better to contact me through Angel course mail system rather than e-mail  
**Required Text:** **Principles of Microeconomics.**  
Mankiw, Greg.  
South-Western College Pub; 6<sup>th</sup> edition (February 7, 2011).  
ISBN-10: 0538453044  
ISBN-13: 978-0538453042  
**Recommended:** None  
**Prerequisite:** MATH 1314 or equivalent.

**Course Description:** Introduction to principles of economics and decision making at the individual firm, consumer, and industry level; resource allocation and the price system; demand and supply theory, theory of production and profit maximization; and interaction of demand and supply.

**Course Goals:**

*This course provides a basic introduction to microeconomics, the study of how: (1) firms and households interact through the market; (ii) firms interact with each other and how this affects the prices of goods and services and market efficiency; and (iii) government policies affect market outcomes.*

*By the end of the course, students should be understand basic microeconomic concepts and models of the economy. They should be able to apply these concepts and models to help them understand how market economies function and assess government policies that affect market outcomes.*

**Learning Outcomes/Objectives:** Upon completion of the course students will be able to:

1. Explain what microeconomics is and describe how microeconomics can be used to help managers, policy makers, and other stakeholders make decisions.
2. Analyze supply and demand problems graphically and apply supply and demand analysis to real world microeconomic problems (e.g., minimum wages, rent ceilings, and the incidence of taxation).
3. Solve microeconomic problems numerically, graphically and algebraically. Microeconomic problems include problems related to comparative advantage, elasticities of supply and demand, consumer and producer surplus, tax incidence, price ceilings and floors, externalities, and profit maximization.
4. Explain the difference between economic efficiency and equality. Evaluate how government policies related to regulation, taxation, and international trade affect both efficiency and equality.

5. Explain why and under what conditions market equilibrium are efficient and describe different types of market failures that can occur.
6. Compare the costs and benefits associated with different government policies that can correct market failures related to externalities such as pollution (e.g., Pigouvian taxes, command and control regulation, tradable permits and private Coasian solutions). Analyze which of the methods are most appropriate in specific situations.
7. Write short essays applying microeconomic analysis to real world situations. Possible examples include: (i) discussing how government policies affect efficiency and equality; and (ii) assessing what a profit maximizing firm would do in a specific situation and whether these actions are consistent with broader approaches that take corporate social responsibility into account.

### Core Curriculum Objectives (CCOs):

*Communication Skills: Include effective written, oral, and visual communication. (SLO 7)*

*Critical Thinking Skills: Include creative thinking, innovation, inquiry, analysis, evaluation, and synthesis of information. (SLOs 1, 2, 4, 5, 6)*

*Empirical and Quantitative Skills: Include the manipulation and analysis of numerical data or observable facts resulting in informed conclusions. (SLOs 2, 3, 6)*

*Social Responsibility: Includes intercultural competency, knowledge of civic responsibility, and the ability to engage effectively in regional, national, and global communities. (SLOs 4, 5, 6, 7)*

### Grading Policy

**Exams:** There will be two in-class midterm exams and a final exam. The final exam will be cumulative. Make-up exams will be offered for students with excused absences (see make-up and attendance policies below).

**Problem Sets:** Six problem sets will be posted on ANGEL during the semester (see schedule below for due dates). The problem sets will include algebraic and numerical solutions to economic problems and short essays designed to demonstrate student's understanding of economic concepts and that they can apply these concepts to policy related issues.

The second problem set will include a written problem that will ask present students with a two-country, two-good production opportunities schedule and ask them to calculate opportunity costs and the production possibilities frontier. The final problem set will include a question that will ask the students to write a short essay on corporate social responsibility. The short essay on the final homework assignment will have to be typed (i.e., not handwritten).

I strongly recommend that you submit the problem sets through the drop box since this will provide a record that you submitted the problem sets on time. For math problems, feel free to scan (or photograph) written problem sets and submit in that form in the drop box. When problem sets include short essays, however, the short essays must be typed.

If you choose to submit a hard copy of the problem sets or submit it through e-mail rather than through the Angel drop box, please keep in mind the following:

- (i) You are responsible for turning it on time (e.g., if building is locked and you cannot turn it in at my office by the due date, it will be considered late)
- (ii) If you submit the problem sets in class or in office hours, you should do so BEFORE the due date (e.g., by Thursday if the due date is on Friday).
- (iii) If I am in my office, you can also turn it in to me. If I am not, you can place it under my door.
- (iv) If you submit a hard copy, you MUST keep a copy in case the copy you submit is lost.

- (v) If I do not receive it or cannot find it, it will be considered late unless we can both remember you turning it in to me.

Late problem sets will be penalized and no problem sets will be accepted after solutions to any of the problems have been posted, discussed in class or a review session, or the problem set has been returned to other students. Students may work with other students on their problem sets. It is, however, expected that students will put answers in their own words and hand in individual problem sets (no cutting and pasting).

**In-Class Assignments.** Between 10 and 18 open-book in-class assignments will be given during the semester. These assignments will not generally be pre-announced and the lowest 2 scores will be dropped.

If you miss an in-class assignment with an excused absence, you may make it up during office hours. If the assignment is given before the last two weeks of classes, the make-up assignment must be taken within TWO weeks of the original assignment. If the assignment is given in the last two weeks of classes, it must be taken before the last day of classes.

The main purpose of in-class and homework assignments is to learn how to do economics by doing economics problems and thinking about economic issues. The in-class assignments are intended to give you practice thinking about economic issues and solving economic problems by yourself (or in small groups in some cases when instructed by the professor) soon after the concepts have been introduced. I encourage you to ask me for help with these problems and will check your answers before you turn it in if you want me to. You will learn more from getting the answer correct than by not getting it correct.

They also serve a number of additional purposes:

1. Checking whether people are understanding the main concepts from the lecture
2. Giving me information about your thoughts on a topic for use in future lectures

**Grades.** The final exam will account for 30 percent of the grade, each midterm will account for 15 percent of the grade, problem sets will account for 20 percent of the grade and in-class assignments will account for the final 20 percent.

90- 100%	A
80- 90%	B
70- 80%	C
60- 70%	D
below 60	not passing

**Extra Credit.** Throughout the semester, students will have the opportunity to earn extra credit points. These are added to the homework portion of the grade. For example, if you earn 5 points extra credit, it will be added to your score for one of the homework assignments.

### Attendance Policy:

Regular class attendance is essential to academic operations. Students not attending regularly scheduled classes are considered absent. For absences due to illness or other emergencies, you should inform me before class or exam date either through Angel, e-mail, telephone or voicemail (see office number above). If non-attendance is for other reasons (e.g., university sponsored events, mandatory participation in military activities, mandatory admission interviews for professional or graduate school etc.), please inform me as far in advance as possible.

### Other course policies:

Make-up exams will be given to students with valid reasons for non-attendance (see Student Handbook, Section 9.03) and that have informed me before the class or exam of their valid reason for non-attendance (see attendance policy above).

### **Classroom Behavior**

The A.R. Sanchez, Jr. School of Business encourages classroom discussion and academic debate as an essential intellectual activity. It is essential that students learn to express and defend their beliefs, but it is also essential that they learn to listen and respond respectfully to others whose beliefs they may not share. ARSSB will always tolerate diverse, unorthodox, and unpopular points of view, but it will not tolerate condescending or insulting remarks. When students verbally abuse or ridicule and intimidate others whose views they do not agree with, they subvert the free exchange of ideas that should characterize a university classroom. If their actions are deemed by the professor to be disruptive, they will be subject to appropriate disciplinary action, which may include being involuntarily withdrawn from the class.

### **Copyright Restrictions**

The Copyright Act of 1976 grants to copyright owners the exclusive right to reproduce their works and distribute copies of their work. Works that receive copyright protection include published works such as a textbook. Copying a textbook without permission from the owner of the copyright may constitute copyright infringement. Civil and criminal penalties may be assessed for copyright infringement. Civil penalties include damages up to \$100,000; criminal penalties include a fine up to \$250,000 and imprisonment.

*Copyright laws do allow students and professors to make photocopies of copyrighted materials, but you may copy a limited portion of a work, such as an article from a journal or a chapter from a book for your own personal academic use or, in the case of a professor, for personal, limited classroom use. In general, the extent of your copying should not suggest that the purpose or the effect of your copying is to avoid paying for the materials. And, of course, you may not sell these copies for a profit. Thus, students who copy textbooks to avoid buying them or professors who provide photocopies of textbooks to enable students to save money are violating the law.*

### **Plagiarism and Cheating**

Plagiarism is the presentation of someone else's work as one's own. Recently, the Internet has complicated the picture. Getting something from the Internet and presenting it as one's own is still plagiarism. Copying another student's paper or a portion of the paper - is usually called "copying". Neither plagiarism nor copying will be tolerated. Should a faculty member discover that a student has committed plagiarism, the students will receive a grade of 'F' in that course and the matter may, if necessary, be referred to the TAMIU Honor Council for possible disciplinary action.

### **Students with Disabilities**

Texas A&M International University seeks to provide reasonable accommodations for all qualified persons with disabilities. This University will adhere to all applicable federal, state, and local laws, regulations and guidelines with respect to providing reasonable accommodations as required to afford equal education opportunity. It is the student's responsibility to register with the Disabilities Services Coordinator located in the Student Counseling Center and to contact the faculty member in a timely fashion to arrange for suitable accommodations.

### **Safety and Security- You are the Difference**

Your safety and security are of prime concern here at Texas A&M International University, and the University police department work hard to ensure the campus is a safe place to live, learn, work and play. TAMIU is not, however, exempt from crime. To be safe and secure, you must take common sense precautions. Be alert and aware of those around you; look out for the safety of others. Do not leave valuables unattended; do not attempt to touch or interfere with our wildlife.

### **Student Responsibility For Dropping a Course**

It is the responsibility of the STUDENT to drop the course before the drop date. Faculty are not responsible for dropping students who suspend class attendance.

**Final Examination**

The University requires all final Examinations be comprehensive and be given on the day specified.

**THE INSTRUCTOR RESERVES THE RIGHT TO MAKE CHANGES TO THIS SYLLABUS AS NEEDED  
AND WITH NOTIFICATION TO STUDENTS**

**Course Calendar:**

	Day	Date	Class Topic	Reading	Homework
1			<b>Introduction:</b> Class Syllabus and Introduction to Microeconomics	Ch 1 (pp. 3-12)	
2			<b>Trade I:</b> Production Possibility Frontiers	Ch 2 <b>(pp. 26-29 are most important)</b>	
3			<b>Trade II:</b> Absolute and Comparative Advantage	Ch 3	
4			<b>Trade III:</b> More on International Trade	Ch 9 (pp. 179-189)	HW #1 posted (Due 2/3)
5			<b>Demand I:</b> Law of Demand, Demand Schedules and Curves	Ch 4 (pp. 65-73)	
6			<b>Demand II:</b> Demand Shifters		
7			<b>Supply I:</b> Law of Supply, Supply Curves and Schedules	Ch 4 (pp. 73-76)	
8			<b>Supply II:</b> Supply shifters		HW #2 posted (Due 2/17)
9			<b>Market Equilibrium I:</b> Market Equilibrium	Ch 4 (pp. 76-85))	
10			<b>Market Equilibrium II:</b> Comparative Statics		
11			<b>Market Equilibrium III:</b> Price Elasticities of demand; things that affect the elasticity of demand	Ch 5	
12			<b>Market Equilibrium IV:</b> Other elasticities of demand; price elasticity of supply		
			<b>Midterm #1</b>		
13			<b>Applications I:</b> Minimum wages	Ch. 6 (pp. 111-120)	
14			<b>Applications II:</b> Price Ceilings and Price Floors		HW #3 posted (Due 3/9)
15			<b>Market Efficiency I:</b> Consumer Surplus	Ch. 7 (pp. 135-144)	
16			<b>Market Efficiency II:</b> Producer Surplus and market efficiency	Ch. 7 (pp.145-154)	
17			<b>Applications III:</b> Tax Incidence	Ch. 6, (pp. 121-128)	HW#4 posted (Due Friday 3/30)
18			<b>Applications IV:</b> Deadweight loss due to taxation	Ch. 8	
19			<b>Applications V:</b> Distributional impact of free trade	Ch. 9 (pp. 171-179)	
20			<b>Public Finance I:</b> Externalities and efficiency, Pigouvian taxes and regulation	Ch. 10 (pp. 195-208)	
21			<b>Public Finance II:</b> Tradable pollution permits and the Coase theorem	Ch. 10 (pp. 209-216)	HW #5 posted (Due Friday 4/13)
			<b>Midterm #2</b>		
22			<b>Public Finance III:</b> , Public goods and free riders	Ch. 11	
23			<b>Political Economy:</b> Rational ignorance, median voter theorems, Condorcet paradox, impossibility theorems	Ch. 22 (pp. 473-480)	
24			<b>Profit maximization I:</b> Economic goals of the firm, Economic and accounting profits; implicit and explicit costs	Ch. 13	HW #6 posted (Due Friday 4/27)
25			<b>Profit Maximization II:</b> Profit maximization and its relationship to other goals; Corporate social responsibility; Milton Friedman and the social responsibility of the firm		
26			<b>Markets I:</b> Introduction, market power and profit maximization for competitive firms	Ch. 14	
27			<b>Markets II:</b> , Entry and exit decisions, long and short-run decisions, efficiency of perfect competition		