

# **ECON 231: Introductory Microeconomics and Social Issues**

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## **Course Description**

ECON 231 is an introductory course that teaches the fundamentals needed for understanding the social world. For some students, it may be the only course you take in the subject, and it provides a solid foundation for economic analysis. For other students, it may provide a foundation for many years of study in economics, business, or related fields. If you are interested in graduate study in economics, you should talk to me as soon as possible for guidance.

This course begins with an introduction to the market economy and the role it has played in human flourishing throughout history. We then move to supply and demand and the basic forces that determine how the market process functions. Next, it introduces a framework for learning about consumer behavior and analyzing consumer decisions. We then turn our attention to firm decisions about optimal production and the impact of different market structures on firms' behavior. The final section of the course provides an introduction to advanced topics that can be analyzed using microeconomic theory, such as extending microeconomic analysis to non-market settings.

By the end of the course you will be able to understand introductory microeconomic theory, solve basic microeconomic problems, and use these techniques to think about a number of policy questions relevant to the operation of the real economy.

**Pre-requisites and preparation:** Mastery of high-school level algebra is expected.

## **Course Goal**

After completing this course, students should have developed an understanding of economic concepts and be able to use those concepts to analyze specific questions.

## **Specific Learning Objectives**

By the end of this course, students should be able to:

- \* Understand the importance of the market economy to human flourishing.
- \* Compare the market economy to alternatives such as command and control.
- \* Understand the basics of consumer behavior.
- \* Understand the basics of firm behavior.

- \* Recognize different types of market structures such as perfect competition, monopoly, and oligopoly.
- \* Understand how to apply economic principles to a range of policy questions.

**Course Components and Requirements:**

- \* The required text, *Microeconomics: Principles, Problems, & Policies*, 20th Edition by McConnell, Brue, and Flynn. Older editions will be fine, although page and chapter references will always refer to the latest edition.
- \* Online videos and supplementary readings posted to Blackboard.

**The course grade will consist of the following**

- 30 points for quizzes given via blackboard (10)
- 40 points for mid-term exams given in class (2)
- 30 points for the final exam
- 6 points extra credit

**Grading Scale:**

A+	97+
A	93-96
A-	90-92
B+	85-89
B	75-84
B-	70-74
C+	67-69
C	63-66
C-	60-62
D+	57-59
D	53-56
D-	50-52
F	<50

## **Class Structure:**

Classes will consist of lecture, discussion, and classroom activity. Some classes may only contain one of those. Discussion might consist of a seminar-style discussion of course material and related topics or students working problems on the board or presenting class material in their own words. Class activities may include small group work or experiments that involve the whole class.

Students *must* come to class prepared to discuss the material. If you are here, you are here to learn. It will not negatively affect your grade to miss a few classes here and there, but it is your responsibility to catch up on the notes independently if you miss class.

There is no formal grade for participation, but those students who *in my subjective estimation* contribute the most to class discussion may receive a “bump” of a half letter grade (for instance, from B- to B).

## **Accommodations for Students with Disabilities**

Western Carolina University is committed to providing equal educational opportunities for students with documented disabilities and/or medical conditions. Students who require reasonable accommodations must identify themselves as having a disability and/or medical condition and provide current diagnostic documentation to the Office of Disability Services. All information is confidential. Please contact the Office of Disability Services at (828) 227-3886 or come by Suite 135 Killian Annex for an appointment.

## **Academic Integrity Policy**

"I will practice personal and academic integrity" – WCU Community Creed

Western Carolina University (WCU) strives to achieve the highest standards of scholarship and integrity. Any violation of the Academic Integrity Policy is a serious offense because it threatens the quality of scholarship and undermines the integrity of the community. Any violation of the Academic Integrity Policy is a violation of the Code of Student Conduct (see [dsce.wcu.edu](https://dsce.wcu.edu) for more information).

Violations of the Academic Integrity Policy include:

Cheating - Using or attempting to use unauthorized materials, information, or study aids in any academic exercise.

Plagiarism - Representing the words or ideas of someone else as one's own in any academic exercise.

Fabrication - Creating and/or falsifying information or citation in any academic exercise.

Facilitation - Helping or attempting to help someone to commit a violation of the Academic Integrity Policy in any academic exercise (e.g. allowing another to copy information during an examination)

Faculty members have the right to determine the appropriate sanction(s) for violations of the Academic Integrity Policy within their courses, **up to and including a final grade of “F” in the course**. Students will be notified, in writing, of any Academic Integrity Policy allegation and have the right to respond to the allegation. The full text of the WCU Academic Integrity Policy, Process, and the Faculty Reporting Form can be found online at: [academicintegrity.wcu.edu](http://academicintegrity.wcu.edu).

Please visit [studysmart.wcu.edu](http://studysmart.wcu.edu) for further information.

### **Student Support Services**

Student Support Services provides support to students who are either first-generation, low-income or those who have disclosed a disability with: academic advising, mentoring, one-on-one tutorial support, and workshops focused on career, financial aid and graduate school preparation. You may contact SSS at (828) 227-7127 or email [sssprogram@wcu.edu](mailto:sssprogram@wcu.edu) for more information. SSS is located in the Killian Annex, room 138.

### **Course Evaluations**

Near the end of the course I will remind you to participate in the CoursEval online evaluation process. While I encourage you to provide me with feedback on my teaching at *any* time, the student evaluations are an important part of the way WCU formally evaluates me. Your feedback is critical: I read and consider every student comment when preparing to teach the class again.

## Course Calendar

The assigned reading/videos/problem sets which are listed must be completed *before* class on the listed date. We will also watch videos in class as part of the lectures; links to these videos will be posted to blackboard *after* they are viewed in class.

# of periods	Assignment	Lecture	Discussion/Activity/Notes
1		What is economics? The “big ideas” of economics.	Why is economics important? What is this class about? What do you expect? What does it mean to make a choice or have a preference?
2	McConnell Ch. 1  Introduction to economics <a href="https://www.youtube.com/watch?v=g9uUIUqhrSQ">https://www.youtube.com/watch?v=g9uUIUqhrSQ</a>	The power of trade; economic history	History vs. Economics; the role of the market; understanding human flourishing; why is economic development important?
3	I, Pencil <a href="http://www.econlib.org/library/Essays/rdPnc11.html">http://www.econlib.org/library/Essays/rdPnc11.html</a>  I, Rose <a href="https://www.youtube.com/watch?v=t3QMC_TeP-Q">https://www.youtube.com/watch?v=t3QMC_TeP-Q</a>  Comparative advantage <a href="https://www.youtube.com/watch?v=4rUfoU04QJM">https://www.youtube.com/watch?v=4rUfoU04QJM</a>	I, Pencil; trade as cooperation; comparative advantage	I, Pencil activity and discussion
2	McConnell Ch. 3 (pp. 54-66)  Demand curve <a href="https://www.youtube.com/watch?v=kUPm2tMCbGE">https://www.youtube.com/watch?v=kUPm2tMCbGE</a>  Supply curve <a href="https://www.youtube.com/watch?v=nKvrbOq1OfI">https://www.youtube.com/watch?v=nKvrbOq1OfI</a>	Supply and demand	Are supply and demand really the same thing? Examples of supply and demand in everyday life. More practice with supply and demand diagrams if required
1	Equilibrium price <a href="https://www.youtube.com/watch?v=7eZcPs9z9OA">https://www.youtube.com/watch?v=7eZcPs9z9OA</a>	Equilibrium;	Markets In Everything; examples of shifts in equilibrium

2	<p>McConnell Ch. 6</p> <p>Elasticity of demand  <a href="https://www.youtube.com/watch?v=J82_xd5XxXg">https://www.youtube.com/watch?v=J82_xd5XxXg</a></p> <p>Elasticity of supply  <a href="https://www.youtube.com/watch?v=ggulcyQzSog">https://www.youtube.com/watch?v=ggulcyQzSog</a></p>	Elasticity	Difference between want and need; price sensitivity; bargaining power
1	<b>Exam 1</b>		Trade, choice, supply and demand basics
3	<p>McConnell Ch. 18</p> <p>Commodity taxes  <a href="https://www.youtube.com/watch?v=yRysbDoyhw">https://www.youtube.com/watch?v=yRysbDoyhw</a></p> <p>Subsidies  <a href="https://www.youtube.com/watch?v=LTFxRIACebk">https://www.youtube.com/watch?v=LTFxRIACebk</a></p> <p>Tariffs and protectionism  <a href="https://www.youtube.com/watch?v=Gr-Ld7DnBZQ">https://www.youtube.com/watch?v=Gr-Ld7DnBZQ</a></p> <p>Tax revenue and deadweight loss  <a href="https://www.youtube.com/watch?v=dbuU8S1x0Ro">https://www.youtube.com/watch?v=dbuU8S1x0Ro</a></p>	Taxes and subsidies; incidence Efficiency, consumer/producer surplus, deadweight loss	Can taxes and subsidies be justified? Why do we have taxes? What is incidence and how does it relate to elasticity?
3	<p>McConnell Ch. 3 (pp.67-72)</p> <p>Price ceilings: Shortages and quality reduction  <a href="https://www.youtube.com/watch?v=RBGHmCIBr9M">https://www.youtube.com/watch?v=RBGHmCIBr9M</a></p>	Price controls	Are prices a thermometer or a thermostat? Do price controls hurt or help consumers? Why are price controls so popular? What is price gouging and is it a problem?
3	<p>McConnell Ch. 4</p> <p>Introduction to externalities  <a href="https://www.youtube.com/watch?v=CpVf11f09Pk">https://www.youtube.com/watch?v=CpVf11f09Pk</a></p>	Externalities; Coase theorem; Pigou taxation	How common are externalities? What are public goods and bads? Pros/cons of externality solutions; Externality activity
2	<p>McConnell Ch. 9</p> <p>Introduction to the competitive firm</p>	Costs and profit maximization under competition	Why do businesses want to maximize profits? Is this a good or bad thing for consumers?

	<a href="https://www.youtube.com/watch?v=muFSypea2vo">https://www.youtube.com/watch?v=muFSypea2vo</a> McConnell Ch. 13 (pp. 278-285) Monopolistic competition intro <a href="https://www.youtube.com/watch?v=8a3gXThQeK0">https://www.youtube.com/watch?v=8a3gXThQeK0</a>		What is perfect competition and is it a good model for real-life markets? What responsibility if any do firms have to society, to customers, to shareholders, or to each other?
1	McConnell Ch. 10 Minimizing total industry cost of production <a href="https://www.youtube.com/watch?v=78kXc-14kGo">https://www.youtube.com/watch?v=78kXc-14kGo</a>	Competition and the invisible hand; costs of production	What are some of the major elements of cost of production? How might these differ from industry to industry, or from firm to firm? What does the invisible hand mean? Does competition work in practice? Does it apply to all goods or just some?
3	McConnell Ch. 12 Maximizing profit under monopoly <a href="https://www.youtube.com/watch?v=lEjcTLPtTIY">https://www.youtube.com/watch?v=lEjcTLPtTIY</a>	Monopoly; competition for monopoly	How common are monopolies? Are monopolies good or bad? What is antitrust?
2	Introduction to price discrimination <a href="https://www.youtube.com/watch?v=SZCV-Gm0Tf4">https://www.youtube.com/watch?v=SZCV-Gm0Tf4</a>	Price discrimination; tying and bundling	How is price discrimination like other kinds of discrimination? Is it good or bad, and how do we evaluate that? What does it have to do with efficiency?
1	<b>Exam 2</b>		Taxes, Efficiency, Externalities Competition and monopoly
1	McConnell Ch. 13 (pp. 286-311) Oligopolies (in The Dark Knight) <a href="https://www.youtube.com/watch?v=JMq059SAQXM">https://www.youtube.com/watch?v=JMq059SAQXM</a>	Oligopoly and collusion; game theory	
2	McConnell Ch. 15 Does capitalism exploit workers? <a href="https://www.youtube.com/watch?v=4Ttbj6LAu0A">https://www.youtube.com/watch?v=4Ttbj6LAu0A</a> The marginal product of labor <a href="https://www.youtube.com/watch?v=G7ai5LAehqg">https://www.youtube.com/watch?v=G7ai5LAehqg</a>	Labor markets; creative destruction; exploitation	How do you pick a job? What happens when jobs become obsolete? Does capitalism exploit workers? Occupational outlook handbook short activity

<p>3</p>	<p>McConnell Ch. 5</p> <p>A failure of regulation, not capitalism  <a href="http://economix.blogs.nytimes.com/2009/06/09/a-failure-of-regulation-not-capitalism/">http://economix.blogs.nytimes.com/2009/06/09/a-failure-of-regulation-not-capitalism/</a></p> <p>Public choice: Why politicians don't cut spending  <a href="https://www.youtube.com/watch?v=6uR4lqa7IK4">https://www.youtube.com/watch?v=6uR4lqa7IK4</a></p> <p>Why do all politicians sound the same?  <a href="https://www.youtube.com/watch?v=P34SUDahiA0">https://www.youtube.com/watch?v=P34SUDahiA0</a></p> <p>Voting schmoting  <a href="https://www.youtube.com/watch?v=21uJUZulcEo">https://www.youtube.com/watch?v=21uJUZulcEo</a></p>	<p>Public choice; government failure</p>	<p>Comparative institutional analysis; implications for democratic politics</p>
<p>2</p>	<p>Social cooperation in the market economy  <a href="https://www.youtube.com/watch?v=79ZosnxGKgk">https://www.youtube.com/watch?v=79ZosnxGKgk</a></p> <p>Top 3 myths about capitalism  <a href="https://www.youtube.com/watch?v=KGPa5Ob-5Ps">https://www.youtube.com/watch?v=KGPa5Ob-5Ps</a></p> <p>Are we running out of resources?  <a href="https://www.youtube.com/watch?v=AcWkN4ngR2Y">https://www.youtube.com/watch?v=AcWkN4ngR2Y</a></p>	<p>Economics, ethics, and public policy</p>	<p>Nirvana fallacy; importance of economics to public policy debates; how can economics extend beyond the topics covered in this class?</p>