

INTRODUCTION TO MICROECONOMICS

Syllabus

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COURSE DESCRIPTION:

This course is suitable both for economics and non-economics majors as gives an overview of economics as a social science for those wishing to learn the basics of economics while pursuing other undergraduate majors, however at the same time, the course provides a solid grounding in microeconomics for those wishing to pursue further education in economics. The class as well gives an overview of “thinking like an economist” and as such provides a solid grounding in economic thought and not just microeconomics as a sub-field. Differing perspectives from mainstream economics, especially Austrian School Economics, Marxist Economics and Cultural Economics, are also introduced throughout the course in order to give the student an insightful perspective to understand and critique contemporary debates over economic policy and to provide an understanding of these differing views of societal economic organization and the welfare and political philosophy perspectives of these differing views.

Class participation is an important part of the class development, counting for 10% of the grade, as is an essay on a contemporary policy debate using the economic reasoning introduced in the class, counting for 15% of the grade. In addition there will be homework assignments every two weeks (counting for 15% of the course grade). The midterm exam will count 20% towards the final course grade, and a cumulative final exam makes up the remaining 40% of the class grade.

REQUIRED TEXT:

TITLE: Principles of Microeconomics, 5th Edition (2007)

AUTHOR: N. Gregory Mankiw

PUBLISHER: South-Western

ADDITIONAL REQUIRED READING MATERIAL:

D.T. Armentano (1978). "A Critique of Neoclassical and Austrian Monopoly Theory." <http://mises.org/daily/1800>

John B. Davis (2010). "Book Review: *Economics, culture and social theory*, by William A. Jackson." (Will be made available on Instructor's website)

Friedrich Hayek (1945). "The Use of Knowledge in Society."
<http://www.econlib.org/library/Essays/hykKnw1.html>

Anthony de Jasay (1989). *Social Contract, Free Ride: A Study of the Public-Goods Problem*, Indianapolis, IN: Liberty Fund. (Relevant chapters will be made available through the Instructor's website)

Israel Kirzner (1978). "Economics and Error".
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=106&chapter=6023&layout=html&Itemid=27

Karl Marx (1865). *Value, Price and Profit*.
<http://www.marxists.org/archive/marx/works/1865/value-price-profit/index.htm>

Gerald P. O'Driscoll, Jr. (1978). "Spontaneous Order and the Coordination of Economic Activities."
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=106&chapter=6050&layout=html&Itemid=27

Mario Rizzo (1978). "Praxeology and Econometrics: A Critique of Positivist Economics."
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=106&chapter=6006&layout=html&Itemid=27

Gordon Tullock (1967). "The Welfare Costs of Tariffs, Monopolies and Theft."
<http://cameroneconomics.com/tullock%201967.pdf>

Voltaire (1738). "On Commerce and Luxury", from *Commerce, Culture and Liberty: Readings on Capitalism before Adam Smith*, Indianapolis, IN: Liberty Fund. (Will be made available on Instructor's website)

GRADING PROTOCOL

Class attendance and participation: 10%

Homework (every two weeks): 15%

Class paper: 15%

You will write a 1500 word maximum paper on a topic of your choosing on a contemporary economic policy debate, applying Mankiw's Ten Principles of Economics in your evaluation of this debate. If you cannot find a topic, the Instructor can suggest ideas. You will have a chance to resubmit the paper for a better grade, if you attach the original paper with the Instructor's comments and suggestions for improvements along with the revised version of your paper.

Midterm Exam: 20%

The midterm exam will be 25 true/false and multiple choice questions

Final Exam: 40%

The final exam will be cumulative (covering all of the semester's topics), and will be 50 true/false and multiple choice questions

Class Rules:

There will be no cellphone or text use during class, computers (and iPhones etc.) are acceptable if they are used to do research in order to participate in class discussion. There will be no prolonged "side discussions" tolerated during class as they distract from the learning of others. Anyone who persists in disrupting the class will be asked to leave the classroom. There will be no make-up exams, homework assignments, or "extra-credit" opportunities. It is expected that you will conform to the above grading protocols. If emergencies arise, it is expected that you will meet with the instructor during office hours or by appointment via email to work-out a realignment of the grading protocol, including providing verifiable documentation for emergency-based missed deadlines. There will be no realignment of the grading protocol for any student unless it is due to an unforeseen emergency.

TOPICS:

Week 1: Introduction to Economic Thinking: Ten Principles of Economics

Mankiw, Chapter 1

Week 2: Introduction to Economics: Economist as Scientist and Policy Advisor

Mankiw, Ch. 2; Rizzo (1978) *Praxeology and Econometrics: A Critique of Positivist Economics*

Week 3: Introduction to Economics: Graphs and Curves

Mankiw, Ch. 2, Appendix

Week 4: Societal Organization and Gains Through Trade

Mankiw, Ch. 3; Hayek (1945) *The Use of Knowledge in Society*

Week 5: Supply and Demand

Mankiw, Ch. 4; D.T. Armentano (1978) *A Critique of Neoclassical and Austrian Monopoly Theory*; Kirzner (1978) *Economics and Error*

Week 6: Elasticities of Supply and Demand

Mankiw, Ch. 5

Week 7: Welfare Economics: Consumer and Producer Surplus

Mankiw, Ch. 7

Week 8: Government Policy: Price Controls and Taxes

Mankiw, Ch. 6; Tullock (1967) *The Welfare Costs of Tariffs, Monopolies and Theft*

Week 9: Perfect Competition, Externalities and Public Goods

Mankiw, Chapters 10 and 11; de Jasay (1989) *Social Contract, Free Ride*

Week 10: Economics of the Labor Market

Mankiw, Chapters 18 and 19

Week 11: Inequality and Political Economy

Mankiw, Ch. 20; Voltaire (1738) On Commerce and Luxury

Week 12: Cutting Edge Topics in Economics: Asymmetric Information, Moral Hazard, Arrow's Impossibility Theorem, and Behavioral Economics

Mankiw, Ch. 22

Week 13: Critiques of Neoclassical Economics

Davis (2010) Book Review: *Economics, culture and social theory*, by William A. Jackson; O'Driscoll, Jr. (1978) Spontaneous Order and the Coordination of Economic Activities; D.T. Armentano (1978) A Critique of Neoclassical and Austrian Monopoly Theory; Karl Marx (1865) *Value, Price and Profit*