

**Rose-Hulman Institute of Technology / Department of Humanities, Social Sciences, and the Arts  
Fall 2019: ECONS151: Introduction to Microeconomics**

Section 1: MTRF (3:00 – 3:50)/O-205

Section 2: MTRF (4:00 – 4:50)/O-205

---

**Tanvir Pavel, Olin Hall O-216, 877-8716, email: [pavel@rose-hulman.edu](mailto:pavel@rose-hulman.edu)  
Office Hours for Fall Quarter 2019 – 2020: MTRF, 1:00 to 2:30, and by appointment**

**Course Description:**

The course is designed to provide a thorough introduction to microeconomic theory. Starting from the basic idea of tradeoffs, opportunity costs, and the benefits of trade, the course examines how the forces of supply and demand determine prices and quantities in competitive markets. It identifies the determinants of demand and supply and presents a model of how shocks to those determinants affect prices and quantities, as well as the well-being of buyers and sellers in competitive markets. It discusses the sense in which markets tend to be efficient as well as the ways in which governments can make markets more (and also sometimes less) efficient. Finally, the course takes a careful look at how profit-maximizing firms pick output levels and prices in competitive and imperfectly competitive markets, and the way their costs of production bear on those decisions.

**Course Objectives:**

At the end of the semester, students should understand the following concepts of microeconomics:

- the basics of supply and demand
- how to calculate and use price elasticities of supply and demand
- externalities and economic efficiency
- consumer choice and behavioral economics
- production and cost decisions made by firms
- profit-maximizing behavior of firms in competitive and non-competitive markets
- how government programs such as price ceilings, price floors, taxes, subsidies, tariffs, and quotas affect competitive market outcomes

**Prerequisites/Corequisites:**

While there are no formal prerequisites for this course, students should have a basic knowledge of calculus and an ability to use and interpret data and graphs (Mankiw's chapter 2 appendix surveys the basic concepts that will be used – students should familiarize themselves with those concepts). ECONS151 is required for the economics major and minor, and is a prerequisite for many other economics courses at Rose-Hulman.

**Required Text:**

N. Gregory Mankiw, *Principles of Microeconomics*, 8<sup>th</sup> ed. (2018), Cengage Learning.

**Other Suggested Text:**

R. Glenn Hubbard and Anthony Patrick O'Brien, *Microeconomics*, 7<sup>th</sup> ed. (2019), Pearson Prentice Hall.

**Course Organization, Requirements, and Policies:**

- The course is organized into four units, as follows:

Unit 1: September 5 to September 20

Introductory concepts and tools, supply and demand with applications

Unit 2: September 23 to October 8

Efficiency and Welfare, with applications to taxes, externalities, and public goods

Unit 3: October 14 to October 29

Theory of the firm and market structure

Unit 4: October 31 to November 15

Three topics in microeconomics

Within each unit, there will be two quizzes, and one exam.

- The four exams will be comprised of multiple choice questions (MCQ), graphing, numeric, and short answer problems. Each exam will be worth 15% of your term grade, for a total of 60% of your term grade.
- The two quizzes for each unit of the course will be worth a total of 24% of your term grade.
- There will be regular in-class quizzes at the beginning/end of some class periods. In-class quizzes will worth 10% of your term grade.
- There will be three short discussion papers to submit. This will be worth 6% of your term grade.

**Grading Component, and Grading Scale:**

Grade Component	Weight
Four Exams (4*15)	60%
Unit Quizzes (8*3)	24%
In-Class Quizzes and Exercises (10*1)	10%
Short Discussion Paper (3*2)	6%

Score in Percentage	Grade
90 or better	A
86 to 89	B+
80 to 85	B
76 to 79	C+
70 to 75	C
66 to 69	D+
60 to 65	D
Below 60	F

**Attendance Policy:**

- Although there is no participation or attendance credit, there is a penalty for unexcused absences:

4 unexcused absences = 1-letter grade reduction

- A student whose total absences in a course, excused or unexcused, exceed two per credit is liable to fail the course. Click [here](#) to see the Rose-Hulman’s attendance policy.
- Excused absences will be granted for illness, family emergencies or institute sanctioned events (official notices should be sent by organizing authority). If you believe you have any other legitimate reason for missing a class, discuss it with me ahead of time.

**Academic Misconduct:**

Students must aware of Rose-Hulman’s rules and procedures toward academic misconduct. These policies may be found on the Rose-Hulman’s web-site at Academic Rules & Procedures at this [link](#).

**Course Schedule:**

The table below lists the order of the material to be covered in the class. This schedule is subject to change by the instructor, if necessary.

Date		Topics	Textbook	Quiz, Exam, and Paper
R	9/5	Introduction: syllabus review and basic principles	M, 1	
F	9/6	Ten Principles of Economics	M, 1	
M	9/9	Economics as a science: Thinking Like an Economist	M, 2	In-Class Quiz 1
T	9/10	Markets: demand and supply	M, 4	Discussion Paper-1
R	9/12	Markets: equilibrium	M, 4	
F	9/13	Markets: price elasticity of demand	M, 5	Q1
M	9/16	Markets: other important elasticities	M, 5	
T	9/17	Markets: price ceilings and floors	M, 6	Q2
R	9/19	Markets: taxes & tax incidence; Review for Exam 1	M, 6	In-Class Quiz 2
F	9/20	EXAM 1		<b>Exam 1</b>
M	9/23	Efficiency analysis: producer and consumer surplus	M, 7	
T	9/24	Efficiency analysis: dead weight losses	M, 7	Discussion Paper-2
R	9/26	Efficiency analysis: taxes	M, 8	Q3
F	9/27	Taxation of labor income	M, 8	In-Class Quiz 3
M	9/30	Tax systems	M, 12	
T	10/1	Public sector: Externalities	M, 10	
R	10/3	Public sector: Externalities	M, 10	In-Class Quiz 4
F	10/4	Public sector: Public goods	M, 11	Q4
M	10/7	Public sector: Public goods; Review for Exam 2	M, 11	
T	10/8	EXAM 2		<b>Exam 2</b>
R	10/10	Fall Break – No Classes		
F	10/11			
M	10/14	Theory of the firm: Production theory	M, 13	
T	10/15	Theory of the firm: Cost theory	M, 13	
R	10/17	Market structure: Perfect Competition	M, 14	In-Class Quiz 5
F	10/18	Market structure: Competition	M, 14	Q5
M	10/21	Market structure: Monopoly	M, 15	
T	10/22	Market structure: Monopoly	M, 15	In-Class Quiz 6
R	10/24	Market structure: Monopolistic competition	M, 16	
F	10/25	Market structure: Oligopoly	M, 17	Q6
M	10/28	Review for Exam 3	M, 13-17	In-Class Quiz 7
T	10/29	EXAM 3		<b>Exam 3</b>
R	10/31	Exchange: comparative advantage & gains from trade	M, 3	
F	11/1	Exchange: international trade	M, 3 & 9	In-Class Quiz 8
M	11/4	Exchange: trade policies	M, 9	Discussion Paper-3
T	11/5	Consumer theory: budgets and constraints	M, 21	Q7
R	11/7	Consumer theory: preferences	M, 21	
F	11/8	Consumer theory: optimal choice and demand	M, 21	In-Class Quiz 9
M	11/11	Factor markets: labor, capital, land	M, 18	Q8
T	11/12	Factor markets: financial markets and institutions	M, 18	
R	11/14	Review for Exam 4		In-Class Quiz 10
F	11/15	EXAM 4		<b>Exam 4</b>