

**VALENCIA COLLEGE**  
**ECO 2023 - Principles of Economics - Micro**  
**Class Policies & Course Syllabus**  
**CRN 12180 / Flex Term Session – 2 Oct 13 to 15 Dec 13**  
**Fall 2013**

**COURSE DESCRIPTION:**

This course teaches students the fundamentals of economic theory focusing on the theory of the consumer, the theory of the producer (firm) and how consumers and producers interact to create general market equilibrium conditions.

**CREDIT HOURS:** 3

**PREREQUISITES:** None

**CLASS MEETING ROOM:** Winter Park Campus, Building 1, rm 113

**DAY/TIME:** Thursday – 19:00 to 21:45

**PROFESSOR:** J Flattery

**OFFICE:** West Campus, Bldg 11, Behavioral & Social Sciences Dept.

**PHONE:** 407-582-1833

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**OFFICE HOURS:**

By appointment

**COURSE GUIDE:**

Welcome to the study of economics – the “dismal science”. I hope to convince you this descriptor is undeserved...

**EDUCATIONAL MATERIALS:**

**Recommended Text:** Case, K.E., Fair, R.C. & Oster, S.M. (2012). Principles of microeconomics (10th ed.), Boston, MA; Pearson Education, Inc.

**AlternativeText:** McAfee, R.P (July, 2006): Introduction to Economic Analysis, <http://www.mcafee.cc/Introecon/IEA.pdf> .

**AlternativeText:** Dilts, D.A. (July, 2004), Introduction to Microeconomics, <http://www.ipfw.edu/dotAsset/142427.pdf> .

**CLASSROOM POLICIES:** All academic comportment will follow Valencia College guidelines:

**WITHDRAWAL POLICY:** WITHDRAWAL Per Valencia Policy 4-07 (Academic Progress, Course Attendance and Grades, and Withdrawals), a student who withdraws from class before the established deadline for a particular term will receive a grade of "W." A student is not permitted to withdraw after the withdrawal deadline of 1 Mar 2013. A faculty member MAY withdraw a student up to the beginning of the final exam period for violation of the class attendance policy. A student who is withdrawn by faculty for violation of the class attendance policy will receive a grade of "W". Any student who withdraws or is withdrawn from a class during a third or subsequent attempt in the same course will be assigned a grade of "F". For a complete policy and procedure overview on Valencia Policy 4-07 please go to:

<http://valenciacollege.edu/generalcounsel/policydetail.cfm?RecordID=75>

**EVALUATION:**

**Tests and Assignments:** The course grade will be determined as follows:

<u>Item</u>	<u>Date</u>	<u>Weight</u> (Total = 100)
Mid-Term*	31 Oct 13	30*
Final	12 Dec 13	35
Class Exercises*	24 Oct 13 & 21 Nov 13	30*
Research Project	5 Dec 13	20
Class Participation		15

The sum of these will determine a letter grade as follows:

90 - 100	A
80 – 89.9	B
70 - 79.9	C
60 - 69.9	D
0 - 59.9	F

\* Mid-Term and Exercises will make up 30% of course grade, and only your top 2 scores of these 3 course evaluations will be factored into your final grade

\*\* Incomplete grades must be completed within Valencia College guidelines.

Note: The Research Project and Class Exercises are to be submitted to me by the indicated dates. **Late submission of assignments must be approved on a case by case basis and they will receive reduced credit.** The main value of the class exercises is to prepare you for the exams. *Be sure to work through the Class Exercises as we cover the material in class— don't leave them to the last moment!*

**Whiteboard and Class Handouts:** I will present handouts in class outlining reading assignments and class questions. Announcements, featured readings, exercises, and sample exams will also be included in handouts. Any lecture outlines will not include the graphs: they will be derived in class, so be sure to attend. Additional informational material will be forwarded via e-mail - check your Valencia college e-mail regularly.

**Study Strategies:** Economics is an analytic subject, so pure memorization may not be sufficient. It is much better to work at understanding the concepts and apply them. To do so, you must:

**Attend lectures.** This is *vital*, as I add material to what's in the text book and often present things differently. *The exam questions are heavily based on the lectures.*

**Review your lecture notes and graphs several times.** Make sure you follow every step of the argument. As you read, keep testing yourself, e.g., if the notes discuss a demand increase, ask what happens in the opposite case. You cannot just read passively, but instead have a pencil and paper handy so you can check various steps and reproduce the graphs. Pay particular attention to the Chapter Summary sections and questions.

**Solve exercise problems.** Do the chapter exercises, and any optional problems suggested in lecture.

**Don't fall behind!** This is crucial, because later material builds on earlier information. *So please arrange to come visit me at the slightest sign of confusion.*

## COURSE TOPICS/AREAS COVERED

(Referenced readings in recommended text – Alternative readings will be provided via online)

“Economics is less about dollars and more about sense” – I hope to elucidate this thought.

### A. Economic Overview and Thought

1. **Opportunity Cost, Marginal Analysis, Socio-Political Framework**  
(Ch. 1, 2, 3, 18)

### B. Consumer, Producer and General Equilibrium Theory

1. **Consumer Theory** - Utility functions and indifference curves. Income and substitution effects. Consumer surplus. Selected applications to savings and labor supply, including the effects of taxes and benefits. (Ch.4, 5, 6)

2. **Producer Theory** - Production and cost functions. Firm and industry supply. Producer surplus. (Ch. 7, 8, 9)
3. **General equilibrium and Market Structure** - Competitive equilibrium. Efficiency of equilibrium. Welfare criteria. Perfect Competition. Monopoly. Monopolistic Competition. Oligopoly. Oligopsony. Monopsony. (Ch. 4, 12, 13, 14, 15)

**C. Market Failures & Other Topics**

1. **International Trade** – Comparative Advantage. Currency Exchange Rates. (Ch. 20).
2. **Health Care Economics** – Insurance. Moral Hazard. Adverse Selection. (Ch. 17, Class Notes (J Flattery))
3. **Monopoly: Price Discrimination** – (Ch. 13, Class Notes (J Flattery)).
4. **Introduction to Game Theory** – Prisoners Dilemma. Game of Chicken. (Ch. 14 (p. 300 – 306), Class Notes (J Flattery))
5. **Externalities and Public Goods** – Common Resources. Public Goods. (Ch. 16, 19, Class Notes (J Flattery))
6. **Time Preference, Discounting and Present Value** – Valuation Models and Theories. (Chapter 11, Class Notes (J Flattery))
7. **Labor Demand & Labor Supply** – Economic Rent. Work-Leisure choice. (Ch. 10, Class Notes (J Flattery))

**SCHEDULE OF CLASSES**

<u>Class/Week</u>	<u>Assignment</u>
1.)	Introduction to Economics, Key Assumptions, Key Concept, Key Construct, Factors of Production, Socio-Political Framework (Ch. 1, 2, 3, 18)
2.)	Efficiency v. Effectiveness, Positive v. Normative Economics Security, Time preference, Consumer theory (objective function) Consumer Demand Theory, Demand Elasticity, Complementary and Substitute goods (Ch. 4, 5, 6)
3.)	Winter Park Campus – No Classes

- 4) Supply v. Demand, Market price determination, Transaction costs, Income & Substitution effect, Consumer Surplus (Review 1, 2, 3, 4, 5, 6, 18)
- 5.) Mid-Term Exam (Ch. 7, 8, 9, 11)
- 6.) Producers (firm) theory (objective function) (Ch. 12, 13, 14, 15)
- 7.) Social Welfare, Producer surplus, Pure competition, Monopoly, Oligopoly, Monopolistic Competition, Price Discrimination (Ch. 10, 16, 19)
- 8.) Market Failure, Game Theory, Externalities, Public Goods Labor (Ch. 17, 20)
- 9.) THANSIVING BREAK
- 10.) International Trade, Health, Comparative Advantage, Moral Hazard, Adverse Selection (Review – for Final Exam)
- 11.) Final Exam

***GOOD LUCK***

**DISCLAIMER:** Changes may be made at the discretion of the instructor (usually in writing).