ECONOMICS (ECON) 2302
PRINCIPLES OF MICROECONOMICS
COURSE SYLLABUS, Fall, 2019

Online class: August 26, 2019 – December 13, 2019

Faculty/Instructor Information

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Course Description
Product pricing, resource allocation, factor pricing, income distribution, and economic growth; contemporary problems such as foreign trade and agriculture.

Course Overview
This is an introductory microeconomics class which will (1) Introduce you to the basic concepts, terminology, methodology and theory used by Economists to describe the workings of market based economies, (2) Study both product and resource markets and how they operate (3) Illustrate how these micro concepts are applied in the real world situations by individual economic agents whether they be individual people, individual firms, or individual industries. In general, microeconomics focuses on the process used by economic agents to maximize satisfaction (or profits) they receive from participating in economic activities. At the end of this class you will be expected to become familiar with the terminology economists use to describe the world and be able to apply the fundamental tools of economic analysis to analyze the behavior of economic agents.

Prerequisites
Mathematics 1314 or 1332 or 1324 or equivalent. It is assumed that these prerequisites are either met or cleared by instructor.

Class Meeting Times: This is an ONLINE Class.

Technology
Must be able to retrieve materials from Blackboard, access online Exams and assignments. A student should also have a basic understanding of what a discussion forum is.

Technical Support
The Technology Service Center (TSC) may be contacted by calling (325) 942-2911 or 1-866-942-2911 or by email at helpdesk@angelo.edu

Course Textbook
As part of IncluED, you automatically have access to the e-book and CONNECT (more details below).

**Students who would also like a PRINT companion, the bookstore have copies of the book for about $30 or less.**

**Office Hours:**

M W: 10:00am – Noon & 1:00pm – 3:00pm  
Virtual office hours: T R & F: 10:45am – 12:15pm

**E-mail and Communication:** Always include subject and state which class and section you are in (instructors teach many classes/sections), title or name of the person you are writing to, content, and your name. The instructor will not respond to emails that are not written in proper manners.

**Response Time**

Assignments grades will be available to you after the due date and time so check BB after to access your Assignment score/results. Exam grades will be returned within 24 hours. I will respond within 18 hours of receiving your email/inquiry.

**Missed/Late Work**

- If you are unable to take an exam for a valid reason, recognized by the university, such as illness or death in the family, a **makeup exam** will be scheduled. You will be
required to produce documentary evidence to substantiate your claim. Any other excuse must be approved by telephone/email in advance. If no advance approval is given, there will be no make-up.

- Online Assignments are automatically submitted as is at 11:59pm on the due date. Any Assignment or part of it COMPLETED after due date and time will earn NO credit. There will be no makeup for missed Assignments as these are available to you in blackboard few days before due date and time and you also have TWO attempts at each assignment. Moreover, we drop one assignment at the end of the semester so if you happen to miss one assignment, your final grade should not be impacted.

**Writing Guidelines**

No writing is required in this course.

**BLACKBOARD (BB)**

Blackboard is the main website for this course. All required and optional practice work will be deployed in BB.

Everyone should automatically be enrolled in BB. You should see our course as one of your courses on your homepage list. If you do not see our class, contact "Students Blackboard Technical Support". Course material (Chapter by chapter PowerPoint slides and Lecture Notes), grades and online assignments and other information are also found on the University’s Blackboard.

Go to [http://blackboard.angelo.edu/](http://blackboard.angelo.edu/) and follow the instructions to "log-in".

- You should see "Principles of MICROECONOMICS as one of your courses. If you do not see our class, contact "Students BlackBoard Technical Support". When successfully logged in, you will see the following Links:

**Homepage/Announcements**

Where all my announcements/communication regarding this course will be posted.

**ORINTATATION**

- **START HERE**: Here you will find information on how to navigate the course
- **Syllabus/Policies**: Your detailed course outline, and other relevant information are posted.
- **My Professor**: My general contact information.
IDEA: when available, use this link to complete course evaluation.

VERY IMPORTANT NOTE: This course is part of IncludED program, which means that this is a codeless program in that students will not need any type of access code to register and begin using their Connect.

The student registration process is the same as in the past in that you **MUST first** login to Blackboard and click on the **CONNECT** link that I provide and you will be prompted to register (you need to do this only once). The only difference is that instead of being asked to enter a code or pay for access, you will see a screen that shows a $0.00 balance and you will have full access immediately. Remember that you have access to the e-book and if a student wants a hard copy, they can purchase a copy from the bookstore or directly from the publisher.

Follow the Vimeo link for more info on Student Registration Instructions for Connect through IncludED:  https://vimeo.com/281883800

LEARNING LESSONS
Here you’ll see 4 links to our 4 main lessons/periods. Within each LESSON, you’ll find THE FOLLOWING links:

✓ **CONNECT OVERVIEW VIDEOS**
  This folder contains 3 short videos. The first one will get you familiar with CONNECT and all its resources and the remaining 2 videos are graphing orientation and graphing tools in CONNECT (After watching the last two video, you may answer the brief and OPTIONAL multiple choice questions for some bonus points.

✓ **MATH CONNECT EXTRAS – MATH PREPAREDNESS**
  This folder contain three short math practice quizzes and material that are designed to refresh your simple math skills. These are optional, helpful and carry some bonus points.

✓ **COURSE DOCUMENTS/RESOURCES**
  This folder contains each LESSON’s chapter by chapter PowerPoint slides and LINKS to Chapter by chapter videos. Each video focuses on a very specific learning objective/concept and each concept is anchored by a 2-4 minutes videos
that are written and starred by the book authors. Each video has one or two multiple-choice type question that you can answer to test your understanding.

✓ **LearnSmart Achieve (LSA) Study modules – GRADED**
LSA is an adaptive learning system designed to help students learn faster, study more efficiently, and retain more knowledge for greater success. Chapter by chapter modules (50 points each) will be deployed here. You have unlimited attempts at each LSA module. Keep taking each module until you receive full credit. Keep in mind that NO LATE SUBMISSION IS ALLOWED. Submission due dates and times will be provided.

LSA modules are available at the beginning of each lesson and can be submitted earlier than due dates and times if you chose to do so. The lowest LSA score will be dropped at the end of the semester so only the highest 9 LSA modules will be included in your final grade.

✓ **ASSIGNMENT - GRADED**

This folder contains YOUR Chapter by Chapter MULTIPLE-CHOICE type Assignment. It will have a link to two folders:

**Assignment for printing**: this is where you have access to a hard copy (pdf or a word document) of the assignment that you can print and work on. Upon completion, make sure to return to BB and open the other folder,

**Assignment for Submission** to electronically submit your answers PRIOR TO THE ASSIGNMENT DUE DATE AND TIME to obtain credit points (lockdown browser IS NOT required for assignment submission).

Note that you are allowed up to TWO attempts per Assignment. BB will give you instant feedback after the 1st submission. The feedback will inform you of which questions you missed (hopefully, with the 2nd submission you will be able to correct these questions and improve your assignment score). After clicking SUBMIT, make sure to click the OK button to receive 1st submission instant feedback. Remember that this feedback is a onetime view so make sure to immediately mark your hard copy of the questions you missed, if any.
Each chapter Assignment will consist of about 15-25 multiple choice type questions and each assignment carries 50 points in total. Please do not wait until the last minute to work on your assignment. My advice to you is to do few questions (on the printed copy that is) at a time so you will not be overwhelmed on the due date and time.

Please do not open Assignment for SUBMISSION unless you are ready to submit all answers. Opening the assignment COUNTS as an attempt in blackboard. Due dates and times for all assignments are included in this course outline.

Assignments are available at the beginning of each lesson and can be submitted earlier than due dates and times if you chose to do so.

IMPORTANT: After the 1st submission, make sure after you click SUBMIT to scroll down and click the OK button at the bottom right to get the feedback, i.e., which questions you missed.

The lowest assignment score will be dropped at the end of the semester so only the highest 9 assignments will be included in your final grade.

Assignment Answer Key: to access the assignment answer keys, after the due date and time, follow these simple instructions:
1. Login to Blackboard;
2. Go to the Grade Center by selecting the link "My Grades";
3. Locate the row that has the Assignment you want to review and select the Assignment title;
4. Look to the far right of the row and select the GRADE;
5. Click on the Hyperlink;

EXAMS: This link will have each one of your online exams. Each Exam will cover the assigned chapters/material for that lesson, i.e., none of the exams are comprehensive (see requirements and Grading below). Your EXAMS will consist mainly of multiple choice type questions (50-60).

You only have ONE attempt per Exam and it must be completed before the due date and time. Each exam will be made available on the assigned date at 10:00 a.m and it will disappear exactly at 11:59 p.m. of the same date. No late submission is allowed. You will have about 90 – 120 minutes to complete each exam. Once you click to begin an exam, it must be completed within the allotted time. Give yourself extra time, i.e., do not login to take the exam at or after 10:00 p.m. since you may not have enough time to complete it.

IMPORTANT: Respondus LockDown Browser (LDB) and
monitor (webcam) are required for all Exams.

To access the EXAM answer key, after the due date and time, follow these simple instructions:

1. For Exams, Login to Blackboard USING THE LOCKDOWN BROWSER;

2. Go to the Grade Center by selecting the link "My Grades";

3. Locate the row that has the EXAM you want to review and select the EXAM title;

4. Look to the far right of the row and select the GRADE (there may not be a number yet but rather a symbol since Essay questions may not graded).

5. Click on the symbol/Hyperlink;

**WEBCAM IS REQUIRED FOR EXAMS**

**EXAMS and WEBCAM RULES:**

- Unless otherwise noted, ALL Exams will be online;
- You are allowed to use only your TEXTBOOK, your bb instructional material, your assignment and your notes. All else is not allowed.
- You are not allowed to use any electronic devices other than the computer on which you are taking the exam on and a simple calculator (You cannot have access to a second computer, tablet, iPad, Cell Phone, …, too many to list);
- You cannot have a friend or family member present while taking the Exam;
- You cannot use your phone (make or receive calls or Texts);
- You must use the webcam during the Exam (using the webcam requires the LockDown Browser which means that you will not be able to use the ebook. Solution: PRINT THE BOOK CHAPTERS PRIOR TO YOUR EXAM);
- LockDown Browser and webcam is required only for Exams and not the ASSIGNMENTS;
- You can use the browser of your choice for submitting your Assignment answers;
- Not necessarily a rule, but rather a recommendation, when possible use an Ethernet cord to “hard wire” your computer instead of Wifi. This will ensure that you will not lose internet connection with Blackboard during the Exam (if taking the Exam using a laptop, please make sure that it is connected to a power outlet or the battery is FULLY charged and can withstand at least two hours of the exam time);
- Make sure that the webcam shows you at all times (not just the top of your head, not the ceiling, not the floor, …etc)
o Make sure you are nicely framed so your face and shoulders can be seen as well as some of the background;
o Make sure NOT to mute your microphone. It is important that the audio be on for Webcam during the entire exam;
o The lighting should not be too dark or not directed into the camera blinding the shot (you should have a clear, well-lit picture);
o If I cannot see the video of the Exam clearly, your test will be voided (dropped) AND you will be required to take a proctored ESSAY test;
o If I see something that leads me to believe that you have violated one or more rules of taking the Exam, you will receive a zero and face possible disciplinary action.
o You can download the lockdown browser from ASU’s blackboard webpage. For more information, contact IT.

• Discussion Board (Blacboard): Lesson by Lesson Forums are created where all can participate by asking and answering questions or discussing any relevant issues. I will moderate, monitor and participate whenever required or needed. Assignment questions are encouraged to be discussed in this FORUM to enhance your understanding. You can ask me or other participants about any of the questions in the assignment for further explanations, but you are NOT ALLOWED to provide direct answers to any question. When a lesson/period is completed, its associated DB will no longer be available.

• Links and Resources: Here you will find links for helpful resources.

CONNECT: This link will take you directly to McGraw-Hill companion website, i.e., Click CNNECT, then click Go to My Connect Section.

IMPORTANT NOTE: This course is part of IncludED program, which means that this is a codeless program in that students will not need any type of access code to register and begin using their Connect. The student registration process is the same as in the past in that you will login to Blackboard and click on the CONNECT link that I provided and you will prompted to register (you need to this only once). The only difference is that instead of being asked to enter a code or pay for access, you will see a screen that shows a $0.00 balance and you will have full access immediately. Remember that you have access to the e-book and if a students also want a hard copy, they can purchase a copy from the bookstore or directly from the publisher.

Follow the Vimeo link for more info on Student Registration Instructions for Connect through IncludED: https://vimeo.com/281883800

✓ TOOLS
- Email - the option to email the class, your instructors, classmates, or any combination of the aforementioned.
- My Grades - You can view and calculate your current grade and see what you made on assignments.
- Media Gallery - A place to view media, if any, shared by your professor that is relevant to this course.

✓ **RESOURCES**
  ✓ **Respondus LDB/Monitor Help** - Guidelines, setup instructions and webcam test for this proctoring tool.
  - **Blackboard Help** - External link with support for students using Blackboard.
  - **Accessibility Resources** - Links to product accessibility information.
  - **Library Resources** - Links to products and services offered by the ASU Library.

✓ **Core Student Learning Goals**

**Learning Goals:**

LG1 (CT): Demonstrate proficiency in problem solving through analytical thinking, critical analysis, and/or creativity, as applied to business problems;

LG2b (EQS): Demonstrate competency in basic business skills in the area of quantitative literacy

LG4 (SR): Demonstrate appreciation of ethical issues and sustainability in order to conduct business in a socially responsible manner.

**Assessment Methods**

The above learning goals will be assessed using questions embedded in different exams.

**Course Objectives:**

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

1. Define economics, distinguish microeconomics from macroeconomics, positive economics from normative economics, and command system from a market system (LG1, CT).
2. Perform supply and demand analysis to analyze the impact of economic events on markets (LG2B (EQS));
3. Understand and analyze the behavior of consumers in the market (LG1 (CT), LG2b (EQS));
4. Understand, analyze and evaluate factors affecting the behavior of producers market (LG1 (CT), LG2b (EQS), LG4 (SR));

The above objectives will be met through a combination of exams and homework assignments that will measure your learning.

**Grading Policies**

1. We will have *four Exams including the Final*; each will consist of about 50-60 *multiple-choice* type questions. Due dates and number of points assigned to each Exam are provided. None of the Exams are comprehensive.

2. Four online assignments are posted in BB. In addition to obtaining credit for completing these assignments, they are to help you learn the material and prepare you for each Exam. You have *two attempts* at each assignment and instant feedback will be provided upon completing your 1st submission. *Remember only the 3 highest assignments will count in your final grade.*

**This course employs the following to measure student learning.**

<table>
<thead>
<tr>
<th>Grade Calculations</th>
<th>Points</th>
<th>Tentative Due dates and times</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LESSON 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignments 1, 2 &amp; 3</td>
<td>50 points each (150 points total)</td>
<td>9/20/ by 11:59pm.</td>
</tr>
<tr>
<td>LSA 1, 2 &amp; 3</td>
<td>50 points each (150 total)</td>
<td>9/20/ by 11:59pm.</td>
</tr>
<tr>
<td>EXAM 1</td>
<td>300 points</td>
<td>9/23/ by 11:59pm.</td>
</tr>
<tr>
<td><strong>LESSON 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignments 4, 5 &amp; 6</td>
<td>50 points each (150 points total)</td>
<td>10/18/ by 11:59pm.</td>
</tr>
<tr>
<td>LSA 4, 5 &amp; 6</td>
<td>50 points each (150 total)</td>
<td>10/18/ by 11:59pm.</td>
</tr>
<tr>
<td>EXAM 2</td>
<td>300 points</td>
<td>10/21/ by 11:59pm.</td>
</tr>
<tr>
<td><strong>LESSON 3</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignments 7 &amp; 8</td>
<td>50 points each (100 points total)</td>
<td>11/15/ by 11:59pm.</td>
</tr>
</tbody>
</table>
LSA 7 & 8 | 50 points each (100 total) | 11/15/ by 11:59pm.
EXAM 3 | 300 points | 11/18/ by 11:59pm.

LESSON 4
Assignments 9 & 10 | 50 points each (100 points total) | 12/06/ by 11:59pm.
LSA 9 & 10 | 50 points each (100 total) | 12/06/ by 11:59pm.
EXAM 4 | 300 points | 12/11/ by 11:59pm.

Total | 2,100 points | 100%

Remember that only the highest 9 assignments, highest 9 LSA modules and all 4 exams count towards your final grade (lowest grade assignment & LSA are dropped).

9 Assignments @ 50 points each | 450 Points (21.4%) |
9 LSA modules @ 50 points each | 450 Points (21.4%) |
4 Exams @ 300 Points each | 1,200 Points (57.2%) |

TOTAL | 2,100 points (100%) |

Angelo State University employs a letter grade system. Grades in this course are determined on a percentage scale:

A = 1,890 points and up
B = 1,680 – 1,889 points
C = 1,470 – 1,679 points
D = 1,260– 1,469 points
F = Less than 1,260 points.

Note the following:

1. Your Exams (including the Final) are NOT comprehensive.
2. You are responsible for all material assigned.
3. Because of the way assignments and Exams are weighted, it is critical that you do not slack off. I dislike giving failing grades but not averse to doing so to students who do not learn the material. I will try my best to facilitate the learning process. In the final analysis, learning is your personal responsibility.
Course Policies

Academic Honesty and Integrity
Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding and complying with the university Academic Honor Code and the ASU Student Handbook.

It is the professor’s intention to be as fair and impartial as is humanly possible. Therefore, all students will be asked to adhere to the same set of guidelines and rules UNLESS there are disabilities or documented extenuating circumstances that have been discussed with the professor and the Student Life Office. Please make sure you inform the professor as soon as any situation arises. Do NOT wait until the problem is compounded by poor class performance, poor attendance, etc.

Academic integrity is expected. This includes, but is not limited to, any form of cheating, plagiarism, unauthorized sharing of work, or unauthorized possession of course materials. The professor assumes that all students can be trusted. Please do no violate this trust. Violation of academic integrity will result in a failing grade for the course.

Code of Ethics
Students, faculty, administrators and professional staff of the College of Business should always:

- Be forthright and truthful in dealings with all stakeholders
- Take responsibility for one’s actions and decisions
- Serve as an example of ethical decision-making and behavior to others
- Admit errors when they occur, without trying to conceal them
- Respect the basic dignity of others by treating them as one would wish to be treated

Courtesy and Respect
Courtesy and Respect are essential ingredients to this course. We respect each other's opinions and respect their point of view at all times while in our class sessions. The use of profanity & harassment of any form is strictly prohibited (Zero Tolerance), as are those remarks concerning one's ethnicity, life style, race (ethnicity), religion, etc., violations of these rules will result in immediate dismissal from the course.

Accommodations for Disability
ASU is committed to the principle that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services.
programs or activities of the university, or be subjected to discrimination by the university, as provided by the Americans with Disabilities Act of 1990 (ADA), the Americans with Disabilities Act Amendments of 2008 (ADAAA), and subsequent legislation.

Student Affairs is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability, and it is the student’s responsibility to initiate such a request by emailing studentservices@angelo.edu, or by contacting:

Mrs. Dallas Swafford  
Director of Student Development  
Office of Student Affairs  
University Center, Suite 112  
325-942-2047 Office  
325-942-2211 FAX  
Dallas.Swafford@angelo.edu

**Student absence for religious holidays**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.19 Student Absence for Observance of Religious Holy Day), a student who intends to observe a religious holiday should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

**Course Drop**

To view information about how to drop this course or to calculate important dates relevant to dropping this course, you can visit http://www.angelo.edu/services/registrars_office/course_drop_provisions.php.

**Incomplete as a Course grade**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.11 Grading Procedures), the grade I is given when the student is unable to complete the course because of illness or personal misfortune. An I that is not removed before the end of the next long semester automatically becomes an F. A graduate student will be allowed one year to remove a grade of I before it automatically becomes an F. To graduate from ASU, a student must complete all I’s.

**Grade Appeal Process**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.03 Student Grade Grievances), a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a
grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see Operating Procedure 10.03 at: http://www.angelo.edu/content/files/14196-op-1003-grade-grievance.

Course Outline (Material in blackboard will be available based on these dates)

Please note that each topic is linked to a particular week. I reserve the right to drop/add topics if the course proceeds slower/faster than anticipated.

LESSON 1: Aug. 26 – Sep. 23

FUNDAMENTALS
After reading this chapter, you should be able to:
1. » Define microeconomics and macroeconomics.
2. » Identify the various resource categories used in economics.
3. » Define scarcity and explain its importance in economics.
4. » Identify the opportunity cost of a choice.
5. » Explain rational decision making.
6. » Define marginal benefit and marginal cost.
7. » Describe the relationship between marginal benefits and costs in equilibrium.
8. » Explain how resources are combined to produce output.
9. » Construct and interpret a production possibilities frontier.
10. » Calculate and explain opportunity cost using a production possibilities frontier.
11. » Identify comparative advantage using opportunity costs.
12. » Identify patterns of specialization using comparative advantage.
13. » Identify the terms of trade using comparative advantage.
14. » Illustrate the gains from trade in a production possibilities frontier model.
15. » Illustrate how increasing opportunity costs affect the production possibilities frontier.
16. » Model the flow of resources, output, and monetary transactions in a simple economy.

DEMAND
After reading this chapter, you should be able to:
1. Explain that prices and quantities traded are determined by the interaction of buyers and sellers in a market.
2. » Describe the relationship between the price of a good and the quantity demanded.
3. » Explain why the demand curve is downward-sloping.
4. » Calculate and construct a market demand curve using data provided.
5. » Show how the demand curve changes in response to non-price determinants.
6. » Illustrate the effect of a change in income on demand.
7. » Illustrate the effect of a change in buyers’ tastes and preferences, the number of buyers, and buyers’ expectations on demand.
8. » Illustrate the effect of a change in the prices of substitutes and complements on demand.

SUPPLY
After reading this chapter, you should be able to:

1. Describe the relationship between the price of a good and the quantity supplied.
2. Calculate and construct a market supply curve using data provided.
3. Show how the supply curve changes in response to nonprice determinants.
4. Illustrate the effect of a change in taxes and subsidies on supply.
5. Illustrate the effect of a change in resource prices and technology on supply.
6. Illustrate the effect of producers’ price expectations and a change in the number of sellers on supply.

LESSON 2: Sep. 24 – Oct. 21

MARKET EQUILIBRIUM AND POLICY
After reading this chapter, you should be able to:

» Show how demand and supply interact to determine an equilibrium price and quantity.
» Calculate the magnitude of a surplus or shortage using supply and demand.
» Predict how a change in demand will change equilibrium price and quantity.
» Predict how a change in supply will change equilibrium price and quantity.
» Predict how changes in both demand and supply will change equilibrium price and quantity.
» Use supply and demand to determine the impact of a price ceiling on price and output.
» Use supply and demand to determine the impact of a price floor on price and output.
» Use supply and demand to determine the effect of a tax paid by suppliers on the price and equilibrium quantity of a good.
» Use supply and demand to determine the effect of a tax paid by demanders on the price and equilibrium quantity of a good.

MARKET EFFICIENCY

Determine consumer surplus and predict how changes in price affect consumer surplus.
Determine producer surplus and predict how changes in price affect producer surplus.
Determine the economic surplus and gains from trade in a market.
Use changes in consumer and producer surplus to identify a deadweight loss.
Define and identify productive and allocative efficiency in a competitive market.
Illustrate the effect of a price ceiling on economic welfare using consumer and producer surplus.
Illustrate the effect of a price floor on economic welfare using consumer and producer surplus.
Illustrate the effect of a tax on economic welfare using consumer and producer surplus.
Use basic formulas to solve for consumer and producer surplus and the deadweight loss.

ELASTICITY
After reading this chapter, you should be able to:

» Define elasticity and its role in economics.
» Calculate the price elasticity of demand.
» Calculate the price elasticity of demand using the midpoint formula.
» Define the midpoint formula and describe the reasoning behind its use.
» Interpret the numerical value found by calculating the price elasticity of demand for a good or service.
» Explain why the elasticity of demand changes along a linear demand curve.
» Explain why the elasticity of demand changes along a linear demand curve using the midpoint formula.
» Use the elasticity of demand to determine how total revenue will change in response to a change in price.
» Predict how the number of substitutes or the proportion of income spent on a good or service will impact the elasticity of demand.
» Predict how the characteristics of a good or service and the passage of time impact the elasticity of demand.
» Calculate the cross-price elasticity of demand for substitutes and interpret the result.
» Calculate the cross-price elasticity of demand for complements and interpret the result.
» Calculate the income elasticity of demand and determine whether the good or service is normal or inferior.
» Calculate the price elasticity of supply. Calculate the price elasticity of supply using the midpoint formula.
» Interpret the numerical value found by calculating the price elasticity of supply for a good or service.
» Contrast the elasticity of supply in the immediate period, short run, and long run.

Lesson 3: Oct. 22 – Nov. 18

PRODUCTION

After reading this chapter, you should be able to:

» Determine whether a cost is implicit or explicit.
» Calculate economic and accounting profits.
» Calculate a firm’s total, marginal, and average product.
» Calculate a firm’s fixed, variable, and total costs of production.
» Calculate a firm’s average costs of production.
» Calculate a firm’s marginal costs of production.
» Describe the relationship between marginal cost and average total cost and between marginal cost and average variable cost.
» Illustrate the relationship between the short- and long-run average total cost curves.
» Describe the shape of the long-run average total cost curve as it relates to decreasing, constant, and increasing average total costs.

PERFECT COMPETITION

After reading this chapter, you should be able to:

» Know the characteristics of a perfectly competitive market.
» Show how the demand for an individual firm’s output is determined by the market equilibrium price.
» Predict how a perfectly competitive firm will respond to changes in market prices.
» Use the model of the perfectly competitive firm to determine short-run economic and normal profits.
» Use the model of the perfectly competitive firm to determine when a firm will shut down or operate at a loss in the short run.
» Determine the shape of the short-run supply curve using the marginal cost curve.
» Show how the perfectly competitive firm adjusts to changes in market prices in the long run.
» Derive the long-run market supply curve in a perfectly competitive industry under conditions of constant resource costs.

Lesson 4: Nov. 19 – Dec. 11

PURE MONOPOLY

After reading this chapter you should be able to:
» Know the characteristics of a pure monopoly.
» Define and calculate the marginal revenue for a pure monopoly.
» Determine the profit-maximizing quantity of output and price for a pure monopoly.
» Contrast the efficiency of a competitive market to that of a monopolistic market.
» Explain how firms segregate market participants by elasticity in order to charge different prices.
» Identify graphically the unregulated monopoly price and the regulated normal profit and competitive prices for a monopoly.

MONOPOLISTIC COMPETITION AND OLIGOPOLY

After reading this chapter, you should be able to:

» Know the characteristics of the monopolistically competitive firm.
» Explain the characteristics of the demand curve faced by the monopolistically competitive firm.
» Determine the short-run equilibrium for the monopolistically competitive firm.
» Show how the equilibrium output of a monopolistically competitive firm is neither allocatively nor productively efficient in the long run.
» Know the characteristics of an oligopoly.
» Illustrate the strategic behavior of oligopolistic firms using game theory.

☺ Good luck ☺