

Syllabus for ECN201, Principles of Microeconomics

Fall 2015

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Introduction: This course provides an elementary treatment of microeconomic questions such as how to solve constrained optimization problems; how firms, households, and public agencies decide what to buy and sell; and how their interactions influence relative prices, rents, and wages. Course objectives include learning economic terminology, acquiring familiarity with economic facts and theories, developing skills in quantitative reasoning, and learning to apply such terminology, facts, theories, and skills to solve quantitative economic problems.

Readings: The principal readings will be from Burkett, *Microeconomics: Optimization, Experiments, and Behavior* (Oxford University Press, 2006), which will be available at the URI Bookstore. An errata list is on the class Sakai site. (If you spot an error not yet corrected in the errata list, please call it to my attention.) The dates on which chapters will be introduced in class are listed in the calendar. To get much out of the readings, you'll need to do more than run your eyes over them. A good practice is to read, recite, reflect, and review. The reflection stage involves trying to think of examples, analogies in other subjects, applications to your life, and possible counter-examples or objections. If you believe you have discovered a counter-example or objection to an argument in the readings, see if it is discussed in another passage, raise a question in class, or discuss it with me during my office hours. When you first start using this technique, pause to recite, reflect, and review after each paragraph. After you have gained some experience with the technique, you can try applying it to longer sections. You should attempt to solve the exercises in the text before looking at the answers at the end of chapters. Similarly, you should try to solve all the problems at the end of chapters before the answers are presented in class.

Class rules: To avoid disturbing other students, *please arrive on time, turn off cell-phones, stay until the class is dismissed, and talk to your neighbors only during group exercises. When unable to arrive on time, please skip class. If you must leave the classroom before the class is over, please take your belongings with you and refrain from re-entering the classroom until the class is finished.*

Evaluation: Course grades will be determined by three midterm exams (15% each), a cumulative final exam (35%), and a project report concerned with a least-cost nutritionally-adequate diet (20%). No makeup exams will be given; however, students who miss a midterm exam due to illness or URI-sponsored activity may be excused from the midterm and have its weight transferred to the final exam. Class participation may influence grades in borderline cases.

Office hours: Tuesday and Thursday 9:20–9:50 am and 6:20–6:50 pm, or by appointment, in 215 Coastal Institute.

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Calendar

Date	Topic, Activity, or Exam	Chapter
Sep. 10	Origins and scope of microeconomics	1
Sep. 15	Inputs, outputs, and costs	2
Sep. 17	Cost minimization using linear programming	3
Sep. 22	Production and costs	4
Sep. 24	Production decisions of competitive firms	5
Sep. 29	First exam	
Oct. 1	Marginal products and factor proportions	6
Oct. 6	Comparative advantage & gains from trade	7
Oct. 8	Allocation of factors in competitive markets	8
Oct. 13	Consumer choice and demand	9
Oct. 15	Exchange and product assortment	10
Oct. 20	Second exam	
Oct. 22	Loss aversion and reference-dependence	11
Oct. 27	Context and framing of choice	12
Oct. 29	Labor supply	13
Nov. 3	Monopolistic and monopsonistic power	14
Nov. 5	Oligopoly and oligopsony: classic models	15
Nov. 10	Economics of time	16
Nov. 12	Third exam	
Nov. 17	Saving behavior	17
Nov. 19	Inconsistent intertemporal choice	18
Nov. 24	Economics of risk	19
Dec. 1	Behavior in the face of risk	20
Dec. 3	Game theory & modern models of oligopoly	21
Dec. 8	Assets, investments, & financial markets	24
Dec. 10	Review	
Dec. 15	Final exam, 3:00–6:00 pm	