EC 1131 Principles of Microeconomics  
Fall 2015  
(subject to change, at the discretion of the instructor)

Instructor: Can Erbil  
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Office: 21 Campanella Way, Maloney Hall 381  
Office Hours: TBA  
Scheduled Class Time and Location: T, Th 10:30-11:45am, Devlin 008  
Teaching Assistants: TBA

PRINCIPLES OF MICROECONOMICS

Most decision-making entities, such as individuals, families, firms and nations, have more material needs and goals than they have means to meet them. Faced with the inability to do all that they would like to do, decision-makers have to allocate their scarce resources to meet some, but not all, of their needs and goals. Microeconomics analyzes how these allocation decisions are made, by households and by firms, and how these individual decisions are aggregated into markets for goods and services. We will study the characteristics and outcomes of different types of markets, from competitive oligopolistic to monopolistic. Finally, we will discuss the role of the public sector (government) in a modern market economy.

This course is an introduction to the field of Economics. It will:
- give you an idea of the range of behaviors that economists investigate
- introduce you to the basic tools we use to analyze the economy
- apply these tools to public policy issues

Perhaps most important, this course will introduce you to the “economic way of thinking,” an approach to decision making that applies to personal decisions, to the decisions of businesses, labor unions and other organizations, and to the larger choices that society faces.

This course satisfies the School of Social Science distribution requirements and the Quantitative Reasoning component of the General University Requirements. It is also the first course for any student considering a concentration or minor in Economics.

A note on EC1131 and the Core:

EC1131 is designed to meet a number of needs. It is the first course in the economics major and minor, it is a required course for all CSOM students, it is one of the choices to fulfill the social sciences Core requirement, and it serves as an elective to anyone who wants an introduction to economics. It introduces the basic tools of economic analysis and applies these tools both to problems of historical interest and to current public policy. It explores the development of economic analysis through the work of Adam Smith, Alfred Marshall, Joseph Schumpeter and other giants in the field. Finally, it looks at how we bring together what we learn from economics with what we learn from other fields.

The total amount of reading in this course is modest, but the prudent student will read it several times. I highly recommend that you read the material assigned before we discuss it in class, and then read it again afterwards. In addition to the chapters in the textbook, I will look (and so should you!) for relevant material in newspapers and magazines, and I will often post articles of interest to you, on our Blackboard Vista site. If you see something related to one of our topics, send it to me, and I may pass it on to your classmates. The course material is cumulative, with each topic building on prior ones, so missing classes and falling behind are particularly bad ideas.
Even though this is a very large (300 students!) lecture course, I will encourage discussion in class by asking you questions, which I urge you to think about and answer. I also encourage you to ask questions in class, especially when you are confused. If you are confused, so are many of your classmates. Do us all a favor, and speak up!

In addition to our Tuesday and Thursday classes at 10:30am, each of you will have a 50 minute discussion section during most weeks run by one of our four Teaching Assistants. All of whom are very capable doctoral students in Economics at Boston College. They will be your “Micro Mentors” during the semester.

These discussion sections and the Teaching Assistants’ weekly office hours (TBA) will provide you additional opportunities to discuss class material. Discussion sections will start the week of September 15th.

I encourage you to meet with your TAs and ask them questions. You can also make an appointment with any of them, if your schedule doesn't fit to their office hours. Your TAs are primarily in charge of the problem sets and the discussion sessions, where they will take attendance and monitor your participation.

Hence, all questions related to the problem sets first go to the TAs.

You can also find free tutoring assistance at the Connors Family Learning Center in O’Neill Library.

We will be using mandatory homework software by Aplia (CengageBrain), which allows weekly problem sets to be submitted and graded electronically. The software is designed for our textbook, Krugman/Wells, Microeconomics, 3rd edition (2013).

The Boston College bookstore offers the Aplia software access card, and the card + the KW Microeconomics textbook, but the bookstore is usually a little more expensive.

Please find more information on how to register to Aplia at the end of the syllabus.

In a Principles of Economics course, problems sets are essential for understanding the material. There is no substitute for hands-on experience with economics questions. The Aplia problems sets will be submitted electronically. The Aplia software will not accept problem sets that are submitted late (even a minute late!) and will assign a grade of zero for problem sets not submitted on time, so do not wait until the last minute to submit them. Computer glitches happen! To deal with unanticipated events that might prevent you from submitting a problem set on time, the lowest of your problem set grades will be dropped from the grade calculation.

I urge you to study this material together. You can learn as much from each other as you can from the textbook or from class.

NOTE: The KW website provides excellent resources for you, including key term self-quizzes and flashcards, and PowerPoint slides, all under <Student Resources> at: http://bcs.worthpublishers.com/krugmanwellsmicro3/default.asp#t_768085
Information Dissemination

In Economics 1131 we will maintain a course website on Canvas.

Please check the website frequently as the additional problem sets, answer keys, notes, announcements and more will be posted there (as .pdf) and will be available for you to download/access.

The best way to reach me is via e-mail (can.erbil@bc.edu). Please don’t leave any voice messages on my office phone, since I don’t check them on a regular basis.

If you cannot make my scheduled office hours, and would like to set up an appointment to see me, please send me your academic schedule (courses you are taking, their meeting times and professors, and classroom locations) and I will try to find time for you.

Optimizing Your Performance

Here are some suggestions that may help you to have the best chance to do well in Economics 1131:

1) **Attend the lecture.** The purpose of the course is to teach you something, not to toss out information and see how much sinks in.
2) **Do the assigned readings** before class to get a preview of the material to be covered and to prepare any questions you have about this material. Study the material, don’t just read it.
3) **Check our course website** regularly. I will update it weekly to indicate our progress on the outline.
4) **Take the problem sets** seriously, because they are the best indication of whether you understand the material and they are the best preparation for the exams.
5) **When preparing for exams,** let the lectures guide you as to what is really important.
6) **And by all means,** seek help from the TAs if you need it, and before you get hopelessly behind.
IMPORTANT DATES (Put them in your calendar now!)

Midterm exams are scheduled for

TBA

The comprehensive final exam will be given on

TBA

If you have to miss a midterm, please let me know as soon as you know it. There will be NO make-up exams; if you miss an exam, the weights on your subsequent exams will be increased proportionately.

Approximate weights for your final grade will be:

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<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Participation</td>
<td>5</td>
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<tr>
<td>Problem sets</td>
<td>15</td>
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<tr>
<td>Midterm I</td>
<td>20</td>
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<td>Midterm II</td>
<td>25</td>
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<td>Final exam</td>
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Academic Integrity

The academic enterprise at Boston College requires academic integrity, which in this course means that all your work on exams is your own. You may work with others in preparation for the problems sets, but the electronic submission should be your own work. Given that the primary goal of the problems sets is to learn the material, doing your own work is also in your own best interest. Any infraction of Boston College’s Academic Integrity Policy (available online at http://www.bc.edu/offices/stserv/academic/resources/policy.html#integrity) will result in an automatic F for the course and the offense will be reported to the Dean’s office and then reviewed by the College of Arts and Sciences Academic Integrity Committee. There will be no exceptions.

Other consequences can be even more serious. I urge you to review university policy and procedures, available in the Boston College Catalog or online under <academic integrity> at http://www.bc.edu/integrity

Disability Services

Boston College is committed to providing equal and integrated access for students with disabilities to all available academic, social, and recreational programs and activities. The Disability Services Office at Boston College ensures that students with disabilities receive appropriate accommodations and assistance in order to participate fully in University programs. Students requiring assistance are advised to get in touch with the Office of the Dean for Student Development (on the web at http://www.bc.edu/offices/odsd/disabilityservices.html).
If you have any questions, please consult with me.

Course Outline
(Preliminary and subject to change at the instructors discretion)

(1st week)
PART 1 What is Economics?
Intro: The Ordinary Business of Life
1 First Principles
2 Economic Models: Trade-offs and Trade
Appendix: Graphs in Economics

(2nd – 4th weeks)
PART 2 Supply and Demand
3 Supply and Demand
4 Price Controls and Quotas: Meddling with Markets
5 Consumer and Producer Surplus
6 Elasticity

(5th and 6th weeks)
PART 3 Individuals and Markets
7 Taxes
8 International Trade

PART 4 Economics and Decision Making
9 Making Decisions
PART 5 The Consumer
10 The Rational Consumer
Appendix: Consumer Preferences and Consumer Choice

PART 6 The Production Decision
11 Behind the Supply Curve: Inputs and Costs
12 Perfect Competition and the Supply Curve

PART 7 Market Structure: Beyond Perfect Competition
13 Monopoly
14 Oligopoly
15 Monopolistic Competition and Product Differentiation

PART 8 Microeconomics and Public Policy
16 Externalities
17 Public Goods and Common Resources
18 The Economics of the Welfare State

PART 9 Factor Markets and Risk
19 Factor Markets and the Distribution of Income
Appendix: Indifference Curve Analysis of Labor Supply
20 Uncertainty, Risk, and Private Information
Other very useful, recommended reading sources:

- "The Economist"
- "The NY Times"
- "The Financial Times"
- "The Wall Street Journal"