BOSTON COLLEGE
Department of Economics

ECON1131.01 Principles of Economics--Micro Richard Tresch
MW 3:00, Fall 2014 Maloney Hall, 319A
x2-3671; Tresch@bc.edu

Required Text: Richard Tresch, Principles of Microeconomics, 13th Edition (referred to below as Tresch)

Course Requirements:

1 hour test (60 points)—Monday, October 27
Final examination (90 points)—Friday, December 19, 9:00
Numerous problem sets (optional, but strongly recommended), worth a maximum of 1/3 grade on the test average

NOTE: I have scheduled one additional lecture because of the Monday holidays:
Friday, November 7, 3:00, McGuinn 121

Discussion Leaders: Laura Bonacorsi, Junghyun Kwon, Hieu Luu, Ethan Struby

Syllabus

I. Overview of a Competitive Market Economy (7.5 weeks)
   A. Fundamental Economic Principles and Issues (2 weeks)
      1. The Economic Problem
         Tresch: Chapters 1, 2; Ch. 4 (pp. 63-66)
      2. Society’s Economic Problem
         Tresch: Ch. 3 (pp. 34-43); Ch. 23 (on developing nations-optional)
      3. Long-run Economic Growth
         Tresch: Ch. 3 (pp. 43-53); CASE at the end of Ch. 4, (pp.79-80)
      4. Overview of Markets and the U.S. Economy
         Tresch: Ch. 4
   B. Competitive Markets--The Laws of Supply and Demand (5.5 weeks)
      1. Markets for Goods and Services
         a. Demand--the Consumer
            Tresch: Ch. 5
b. Supply—the Competitive Firm  
    Tresch: Ch. 6

c. Equilibrium and Market Efficiency  
    Tresch: Ch. 7

d. Applications  
    Tresch: Ch. 8

2. Competitive Labor Markets (Emphasizing Why Earnings Differ)  
    Tresch: Ch. 9; Ch. 19 (pp. 492-499-discrimination)

3. Evaluation of the Market System  
    Tresch: Ch. 21
      strengths (p. 540-541)  
      limitations—the role for government (remainder of Ch. 21)

II. Behavior of Business Firms in a Market Economy (4 weeks)

A. Hiring Factors of Production

1. Theory  
    Tresch: Ch. 11 (pp. 248-267)

2. Applications—Especially Industrial Water and Air Pollution  
    Tresch: Ch. 11 (pp. 267-274)

B. Investment Analysis  
    Tresch: Ch. 12 (the Appendix on government Cost-Benefit Analysis is optional)

C. The Four Main Market Structures

1. Overview  
    Tresch: Part IV, pp. 304-308.

2. Perfect Competition  
    Tresch: Ch. 13 (Review Ch. 7) (The Appendix to Ch. 13 is optional)

3. Pure Monopoly  
    Tresch: Ch. 14

4. Monopolistic Competition and Oligopoly  
    Tresch: Chs. 15, 16
D. Evaluation of Big Business and U.S. Antitrust Policy
   Tresch: Ch. 17

III. Factor Markets and the Distribution of Income in the United States (1.5 weeks)
   (A selection of topics from the following, as time permits)
   A. Labor Markets: Further Explanation of Differences in Earnings
      Tresch: Chs. 18, 19
   B. The Distribution of Income and Poverty in the United States
      Tresch: Ch. 20

A note on ECON1131 and the Core:

   ECON1131 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.

Academic Integrity

   Your work on exams is to be entirely your own. Be sure you are familiar with the sections on "Academic Integrity" in the Boston College Catalog (pp. 35-36) or online at BCInfo, (A-Z index, Academic Integrity). Be aware that I, and your TAs, take this most seriously.