ECONOMICS 130  
Principles of Economics: Microeconomics  
Windward Community College  
Monday, Wednesday: 5:30 pm – 6:45 pm  
Alakai 102  
3 Credits - CRN 63362

INSTRUCTOR: Steve Moody  
OFFICE: Hale Palanakila 152  
OFFICE HOURS: Wednesday, 4:30pm – 5:30pm  
TELEPHONE: 236-9152  
E-MAIL (preferred): sjmoody@hawaii.edu  
EFFECTIVE DATE: Fall Semester 2011

WINDWARD COMMUNITY COLLEGE MISSION STATEMENT

Windward Community College is committed to excellence in the liberal arts and career development; we support and challenge individuals to develop skills, fulfill their potential, enrich their lives, and become contributing, culturally aware members of our community.

WCC DISABILITIES ACCOMMODATION STATEMENT

If you have a physical, sensory, health, cognitive, or mental health disability that could limit your ability to fully participate in this class, you are encouraged to contact the Disability Specialist Counselor (Ann Lemke) to discuss reasonable accommodations that will help you succeed in this class. Ann Lemke can be reached at 235-7448, <lemke@hawaii.edu>, or you may stop by her office (Akoakoa 213) for more information.

CATALOG DESCRIPTION

Study of how individuals make decisions which affect their income and wealth; how firms make decisions which affect profits and production. Relationship to demand, supply and prices of goods, and natural resources.

Prerequisites: None (but an understanding of basic graphing techniques and simple algebra will be useful)

Activities Required at Scheduled Times Other Than Class Times:
There are no scheduled activities outside of class. Students will, however, be expected to keep up-to-date on all homework assignments, text book readings, and other materials. I anticipate this requiring 2 – 5 hours of work each week outside of classroom lectures.
STUDENT LEARNING OUTCOMES

The student learning outcomes for the course are:

1. Translate important microeconomic terms and theories into various forms.
   Skills needed to achieve this outcome:
   - Writing ability, ability to translate economic terms into their own words.
   - Mathematical ability, ability to translate and interpret economic theories in a two-dimensional graphical space.

2. Explain the basic underpinnings of consumer and producer behavior.
   Skills needed to achieve this outcome:
   - Research skills
   - Interview skills
   - Ability to formulate a hypothesis.
   - Ability to use the scientific method.

COURSE TASKS

Although course lectures and textbook readings are essential to learning the fundamental theories behind economics, the material is fundamentally practical. We study the economy so we can learn how it behaves in real life and how we both effect and are affected by it. To truly learn the material, it is necessary to apply economics to realistic situations. To this end, in addition to actively participating in class and keeping on top of assigned readings, students will be required to complete several assignments and analytical papers. Quizzes and tests will also be used to assess students’ understanding of the material.

ASSIGNMENTS

Written homework assignments will be assigned roughly once every week or two and will be based primarily on textbook readings. The problems will come from the textbook but may also include additional problems developed by the instructor. Assignments will be announced in class and posted on Laulima. In general, I expect assignments to take 1 – 2 hours to complete for students who have kept up with the reading. Occasionally some assignments may be shorter and others may take more time. I try to assign problems that are relevant to the current economy and give students the opportunity to analyze and apply the material, rather than simply repeat book definitions and theories. Late assignments will be accepted for half credit.

ANALYTICAL PAPERS

Students will be required to submit two analytical papers during the semester. These papers will require a student to select a topic of interest from the news or other current media. The source needs to be recent, within the past several months. Students will then write a 2 – 4 page paper discussing some aspect of economics with a focus on how economic theory can be used to better understand the real world around us. The papers will be relatively brief and will be graded both on accuracy of economic principles and on the use of these principles in constructing a persuasive analysis. No late papers will be accepted.
QUIZZES

There will be two types of quizzes used in class. Each chapter will have a quiz associated with it. This quiz can be taken on Laulima and is primarily to serve as a reading check. The questions will be focused on the main definitions and theories in the chapter and will serve as a good outline of topics to review for exams. If you have read the chapter, these quizzes should not take more than 10 minutes to complete. Quizzes can be taken anytime during the semester, but must be finished by the last day of class.

The instructor will also occasionally assign pop quizzes at the beginning of class. These quizzes are typically used to generate class discussion. They will be open-ended questions, graded on effort and thought, not necessarily accuracy. Quizzes cannot be retaken, but the lowest two will be dropped.

TESTS

There will be two midterms during the semester. The period before each exam will be devoted to a review. Midterms are not cumulative and will be given during normal class time on the dates listed in the course schedule. The final will be cumulative and will take place at the scheduled date and time. Exams will be a combination of multiple-choice, short answer, essay, and work-out problems. More specific information about exams will be available during the review sessions the class period before the exam.

GRADING

The assignments and tasks listed above will be graded and returned within one week of the due date. If possible, I will try to make answer keys available after they are due. I also try to give feedback on each assignment. However, students are encouraged to discuss their assignments with me if there is anything they did not understand. Graded tasks will be weighted into the final grade as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Chapter Quizzes</td>
<td>10%</td>
</tr>
<tr>
<td>Pop Quizzes</td>
<td>5%</td>
</tr>
<tr>
<td>Assignments</td>
<td>15%</td>
</tr>
<tr>
<td>Papers</td>
<td>15%</td>
</tr>
<tr>
<td>Midterms</td>
<td>30%</td>
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<tr>
<td>Final</td>
<td>25%</td>
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Final grades will be assigned according to the following breakdown.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>B+</td>
<td>87 – 89</td>
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<tr>
<td>B</td>
<td>77 – 79</td>
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<tr>
<td>C+</td>
<td>67 – 69</td>
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<tr>
<td>D+</td>
<td>0 – 59</td>
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<tr>
<td>A</td>
<td>95 – 100</td>
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<tr>
<td>B</td>
<td>90 – 94</td>
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<tr>
<td>C</td>
<td>83 – 86</td>
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<tr>
<td>C-</td>
<td>80 – 83</td>
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<td>D</td>
<td>73 – 76</td>
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<td>D-</td>
<td>70 – 73</td>
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<td>F</td>
<td>63 – 66</td>
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<tr>
<td>D</td>
<td>60 – 63</td>
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Note that these represent the maximum cutoffs for the grades. That is, if you get the grade listed above, you are guaranteed that grade. However, the instructor reserves the right to adjust the grade cutoffs downward at his discretion based on overall class performance. This is to the benefit of the student. Under no circumstances will the grade cutoffs be increased from the standards set above. In past courses I have generally adjusted the grade scale downward 2 or 3 points, but this does not guarantee the same will be true this semester. Following each midterm, I will report in class what the grade scale would be based on that exam.
LEARNING RESOURCES

Text
N. Gregory Mankiw (Required), Principles of Microeconomics, Fifth Edition

Other Items
Access to the internet and to a printer
Please check your UH e-mail account regularly for announcements and updates
I will also use Laulima to disseminate announcements and other course material.

CONTACT

Students are encouraged to participate actively in class discussions and to bring any questions to discuss with the class. Students with individual questions about material or concerns on assignments may discuss with the instructor before or after class, or via e-mail. The forums on Laulima are also available to ask questions and to collaborate with the class.

PLAGIARISM AND CHEATING

Plagiarism is the act of representing directly or indirectly another person’s work as your own. It can involve presenting someone’s speech, wholly or partially, as yours, quoting without acknowledging the true source of the quoted material, copying and handing in another person’s work with your name on it, and similar infractions. Even indirect quotations, paraphrasing, etc. can be considered plagiarism unless sources are properly cited. Plagiarism will not be tolerated, and any assignments or papers turned in that reflect plagiarism will not be graded.

Likewise, there is a zero-tolerance policy regarding all forms of cheating on assignments, papers, or exams. Do your own work and represent yourself honestly. Any student caught cheating will fail the class and be reported to the appropriate school officials.
<table>
<thead>
<tr>
<th>Date</th>
<th>Concept</th>
<th>Text Book</th>
<th>Items Due</th>
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</thead>
<tbody>
<tr>
<td>8/22 (M)</td>
<td>Economic Principles</td>
<td>Chapter 1</td>
<td></td>
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<tr>
<td>8/24 (W)</td>
<td>Modeling in Economics – Circular Flow</td>
<td>Chapter 2</td>
<td></td>
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<tr>
<td>8/29 (M)</td>
<td>Production Possibilities</td>
<td>Chapter 2</td>
<td></td>
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<tr>
<td>8/31 (W)</td>
<td>Comparative Advantage and Specialization</td>
<td>Chapter 3</td>
<td>Assignment 1</td>
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<tr>
<td>9/5 (M)</td>
<td><strong>LABOR DAY – No Class</strong></td>
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<tr>
<td>9/7 (W)</td>
<td>Market Demand</td>
<td>Chapter 4</td>
<td>Assignment 2</td>
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<tr>
<td>9/12 (M)</td>
<td>Market Supply</td>
<td>Chapter 4</td>
<td></td>
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<tr>
<td>9/14 (W)</td>
<td>Market Equilibrium</td>
<td>Chapter 4</td>
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<tr>
<td>9/19 (M)</td>
<td>Elasticity</td>
<td>Chapter 5</td>
<td>Assignment 3</td>
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<tr>
<td>9/21 (W)</td>
<td>Elasticity</td>
<td>Chapter 5</td>
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<tr>
<td>9/26 (M)</td>
<td>Price Controls</td>
<td>Chapter 6</td>
<td>Assignment 4</td>
</tr>
<tr>
<td>9/28 (W)</td>
<td>Taxes</td>
<td>Chapter 6</td>
<td></td>
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<tr>
<td>10/3 (M)</td>
<td>Review – Unit 1</td>
<td></td>
<td>Assignment 5</td>
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<tr>
<td>10/5 (W)</td>
<td><strong>Midterm 1</strong></td>
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<tr>
<td>10/10 (M)</td>
<td>Resource Allocation in a Market Economy</td>
<td>Chapter 7</td>
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<tr>
<td>10/12 (W)</td>
<td>Consumer and Producer Surplus</td>
<td>Chapter 7</td>
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<tr>
<td>10/17 (M)</td>
<td>Market Efficiency</td>
<td>Chapter 7</td>
<td>Paper 1</td>
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<tr>
<td>10/19 (W)</td>
<td>Cost of Taxes and Government Policies</td>
<td>Chapter 8</td>
<td>Assignment 6</td>
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<tr>
<td>10/24 (M)</td>
<td>Externalities</td>
<td>Chapter 10</td>
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<tr>
<td>10/26 (W)</td>
<td>Public Goods</td>
<td>Chapter 11</td>
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<tr>
<td>10/31 (M)</td>
<td>Common Goods</td>
<td>Chapter 11</td>
<td>Assignment 7</td>
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<tr>
<td>11/2 (W)</td>
<td>Tax Systems</td>
<td>Chapter 12</td>
<td></td>
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<tr>
<td>11/7 (M)</td>
<td>Review – Unit 2</td>
<td></td>
<td>Assignment 8</td>
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<tr>
<td>11/9 (W)</td>
<td><strong>Midterm 2</strong></td>
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<tr>
<td>11/14 (M)</td>
<td>Costs of Production</td>
<td>Chapter 13</td>
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<tr>
<td>11/16 (W)</td>
<td>Perfect Competition</td>
<td>Chapter 14</td>
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<tr>
<td>11/21 (M)</td>
<td>Monopoly</td>
<td>Chapter 15</td>
<td>Assignment 9</td>
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<tr>
<td>11/23 (W)</td>
<td>Perfect Competition versus Monopoly</td>
<td>Chapter 15</td>
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<tr>
<td>11/28 (M)</td>
<td>Monopolistic Competition</td>
<td>Chapter 16</td>
<td>Assignment 10</td>
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<tr>
<td>11/30 (W)</td>
<td>Oligopoly</td>
<td>Chapter 17</td>
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<tr>
<td>12/5 (M)</td>
<td>Review</td>
<td></td>
<td>Assignment 11</td>
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<tr>
<td>12/7 (W)</td>
<td>Review</td>
<td></td>
<td>Paper 2, Chapter Quizzes</td>
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<tr>
<td>12/14 (W)</td>
<td><strong>Final Exam – 5:30pm – 7:30pm</strong></td>
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COURSE SCHEDULE

The schedule below is for your reference. It will probably be modified and adjusted as the semester progresses. It is provided primarily to let you know what textbook sections to focus on, what to review if you miss a class, and what to review for exams. I provide it to help you focus on the most important topics, as not everything in the textbook is of equal value. Note that Other Topics are items that will be discussed in class lecture, but are not in the textbook. The Focus Topics lists the textbook headings that I feel are most important. Class lecture will focus on these items, but will often approach them differently that the textbook to provide another viewpoint. I will also try to demonstrate how the textbook items are important in the real world through examples, activities, and discussions.

Class 1 – Monday, August 22 – Economic Principles
Readings: Chapter 1
Due: Nothing
Quiz: None
Textbook Focus Topics:
  • How People Make Decisions
  • How People Interact

Class 2 – Wednesday, August 24 – Modeling in Economics
Readings: Chapter 2
Due: Nothing
Quiz: Chapter 2
Textbook Focus Topics:
  • The Economist as a Scientist (skip section on Production Possibilities Frontier)
  • The Economist as Policy Adviser
  • Why Economists Disagree
  • Read the appendix if your graphing skills need review
Other Topics:
  • Economic Models

Class 3 – Monday, August 29 – Production Possibilities
Readings: Chapter 2, 3
Due: Nothing
Quiz: None
Textbook Focus Topics:
  • Production Possibilities Frontier (Ch 2)
  • A Parable for the Modern Economy (Ch. 3)

Class 4 – Wednesday, August 31 – Comparative Advantage and Specialization
Readings: Chapter 3
Due: Assignment 1
Quiz: Chapter 3
Textbook Focus Topics:
  • Comparative Advantage: The Driving Force of Specialization
  • Applications of Comparative Advantage
Class 5 – Monday, September 5 – **LABOR DAY**

**No Class – Labor Day Holiday**

Class 6 – Wednesday, September 7 – **Market Demand**

*Readings:* Chapter 4  
*Due:* Assignment 2  
*Quiz:* None  
*Textbook Focus Topics:*  
- Markets and Competition  
- Demand

Class 7 – Monday, September 12 – **Market Supply**

*Readings:* Chapter 4  
*Due:* None  
*Quiz:* None  
*Textbook Focus Topics:*  
- Supply

Class 8 – Wednesday, September 14 – **Market Equilibrium**

*Readings:* Chapter 4  
*Due:* Nothing  
*Quiz:* Chapter 4  
*Textbook Focus Topics:*  
- Supply and Demand Together  
*Other Topics:*  
- Introduction to Systems of Resource Allocation

Class 9 – Monday, September 19 – **Elasticity**

*Readings:* Chapter 5  
*Due:* Assignment 3  
*Quiz:* None  
*Textbook Focus Topics:*  
- The Elasticity of Demand (through the section on total revenue)

Class 10 – Wednesday, September 21 – **Elasticity**

*Readings:* Chapter 5  
*Due:* Nothing  
*Quiz:* Chapter 5  
*Textbook Focus Topics:*  
- The Elasticity of Demand (continued)  
- The Elasticity of Supply

Class 11 – Monday, September 26 – **Price Controls**

*Readings:* Chapter 6  
*Due:* Assignment 4  
*Quiz:* None  
*Textbook Focus Topics:*  
- Controls on Prices
Class 12 – Wednesday, September 28 – **Taxes**

*Readings:* Chapter 6  
*Due:* Nothing  
*Quiz:* Chapter 6  
*Textbook Focus Topics:*  
- Taxes  
*Other Topics:*  
- Subsidies

Class 13 – Monday, October 3 – **Review of Unit 1**

*Readings:* Chapters 1 - 6  
*Due:* Assignment 5  
*Quiz:* None  
Please review material from Chapters 1 – 6 prior to the review and bring questions to class.

Class 14 – Wednesday, October 5 – **Midterm 1**

Class 15 – Monday, October 10 – **Resource Allocation in a Market Economy**

*Readings:* Chapter 7  
*Due:* Nothing  
*Quiz:* None  
*Textbook Focus Topics:*  
- No specific textbook sections will be covered this class period  
*Other Topics:*  
- Review systems of resource allocation  
- Central Planning versus Markets  
- Measures of Resource Allocation  
- Measures of Value Generated by Transactions

Class 16 – Wednesday, October 12 – **Consumer and Producer Surplus**

*Readings:* Chapter 7  
*Due:* Nothing  
*Quiz:* None  
*Textbook Focus Topics:*  
- Consumer Surplus  
- Producer Surplus

Class 17 – Monday, October 17 – **Market Efficiency**

*Readings:* Chapter 7  
*Due:* Paper 1  
*Quiz:* Chapter 7  
*Textbook Focus Topics:*  
- Market Efficiency  
- Market Efficiency and Market Failure  
*Other Topics:*  
- Discussion of what markets *actually* do versus what markets *should* do
Class 18 – Wednesday, October 19 – **Cost of Taxes and Government Policies**

*Readings:* Chapter 8  
Due: Assignment 6  
*Quiz:* Chapter 8  
*Textbook Focus Topics:*
  - The Deadweight Loss of Taxation  
  - The Determinants of the Deadweight Loss

Class 19 – Monday, October 24 – **Externalities**

*Readings:* Chapter 10  
Due: None  
*Quiz:* Chapter 10  
*Textbook Focus Topics:*
  - Externalities and Market Inefficiency  
  - Public Policies toward Externalities  
  - Private Solutions to Externalities

Class 20 – Wednesday, October 26 – **Public Goods**

*Readings:* Chapter 11  
Due: Nothing  
*Quiz:* None  
*Textbook Focus Topics:*
  - The Different Kinds of Goods  
  - Public Goods

Class 21 – Monday, October 31 – **Common Goods**

*Readings:* Chapter 11  
Due: Assignment 7  
*Quiz:* Chapter 11  
*Textbook Focus Topics:*
  - Common Resources  
  - The Importance of Property Rights

Class 22 – Wednesday, November 2 – **Tax Systems**

*Readings:* Chapter 12  
Due: Nothing  
*Quiz:* Chapter 12  
*Textbook Focus Topics:*
  - Taxes and Efficiency  
  - Taxes and Equity  
  - The Trade-off Between Equity and Efficiency

Class 23 – Monday, November 7 – **Review of Unit 2**

*Readings:* Chapters 7 – 8, 10 - 12  
Due: Assignment 8  
*Quiz:* None  
Please review material from Chapters 7, 8, 10, 11, and 12 prior to the review and bring questions to class.
### Class 24 – Wednesday, November 9 – **Midterm 2**

### Class 25 – Monday, November 14 – **Costs of Production**

*Readings:* Chapter 13  
*Due:* Nothing  
*Quiz:* Chapter 13  
*Textbook Focus Topics:*  
- What are Costs?  
- Production and Costs  
- The Various Measures of Cost  
- Costs in the Short Run and in the Long Run

### Class 26 – Wednesday, November 16 – **Perfect Competition**

*Readings:* Chapter 14  
*Due:* Nothing  
*Quiz:* Chapter 14  
*Textbook Focus Topics:*  
- What Is a Competitive Market?  
- Profit Maximization and the Competitive Firm’s Supply Curve  
- The Supply Curve in a Competitive Market

### Class 27 – Monday, November 21 – **Monopoly**

*Readings:* Chapter 15  
*Due:* Assignment 9  
*Quiz:* Chapter 15  
*Textbook Focus Topics:*  
- Why Monopolies Arise  
- How Monopolies Make Production and Pricing Decisions

### Class 28 – Wednesday, November 23 – **Perfect Competition versus Monopoly**

*Readings:* Chapter 15  
*Due:* Nothing  
*Quiz:* None  
*Textbook Focus Topics:*  
- The Welfare Cost of Monopolies  
- Public Policy Toward Monopolies

### Class 29 – Monday, November 28 – **Monopolistic Competition**

*Readings:* Chapter 16  
*Due:* Assignment 10  
*Quiz:* Chapter 16  
*Textbook Focus Topics:*  
- Between Monopoly and Perfect Competition  
- Competition with Differentiated Products

### Class 30 – Wednesday, November 30 – **Oligopoly**

*Readings:* Chapter 17
Due: Nothing
Quiz: Chapter 17
Textbook Focus Topics:
  • Markets with Only a Few Sellers
  • The Economics of Cooperation

Class 31 – Monday, December 5 – **Review of Unit 3**
Readings: Chapters 13 - 17
Due: Assignment 11
Quiz: None
Please review material from Chapters 13 – 17 prior to the review and bring questions to class.

Class 32 – Wednesday, December 7 – **Comprehensive Review**
Readings: Units 1, 2, and 3
Due: Paper 2, All Chapter Quizzes
Quiz: None
Please review the course material prior to the review and bring questions to class.

Class 33 – Wednesday, December 14, 5:30pm – 7:30pm – **FINAL EXAM**