Spears School of Business  
ECON 2103.702: Principles of Microeconomics  
Spring 2015

Instructor: Dr. Bill McLean  
Office: BUS 340  
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Office Hours: Mon. 1:15-2:15 PM; Tue. 3:15-4:15 PM; Wed. 9:30-10:30 AM

Course Vision: Students will acquire and use resources to produce the greatest utility and/or profit.

<table>
<thead>
<tr>
<th>Course Terminal Learning Objectives: Upon completing the course, students should be able to:</th>
<th>SSB Program Learning Goal</th>
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<tbody>
<tr>
<td>1. compare a command and market economy.</td>
<td>Critical Thinking</td>
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<td>2. evaluate scarcity and its effects.</td>
<td>Business Knowledge &amp; Competency</td>
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<td>3. explain, illustrate and compare opportunity costs.</td>
<td>Critical Thinking</td>
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<td>4. describe how consumers maximize their satisfaction.</td>
<td>Critical Thinking</td>
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<td>5. describe and illustrate the organization and operation of product and factor markets.</td>
<td>Business Knowledge &amp; Competency</td>
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<td>6. analyze decision making on the margin.</td>
<td>Critical Thinking</td>
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<td>7. describe and evaluate how businesses profit maximize.</td>
<td>Business Knowledge &amp; Competency</td>
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<tr>
<td>8. describe the operation of the &quot;invisible hand.&quot;</td>
<td>Critical Thinking</td>
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</tbody>
</table>
| 9. describe and analyze political & economic decision making (public choice). | Critical Thinking  
Written Communication |

Prerequisite: None; however, we will use basic algebra in the course.

Materials Required:

a. Text: *Principles of Microeconomics*, openstax College
   1) PDF version of *Principles of Microeconomics*
      http://openstaxcollege.org/textbooks/principles-of-microeconomics/pdf
   2) Principles of Microeconomics (other formats)
      http://openstaxcollege.org/textbooks/principles-of-microeconomics/get
   3) Sapling Learning Course Management System:
      a) purchase access card at OSU bookstore or
      b) purchase online at Establishing an account/registering for the course
         http://www2.saplinglearning.com/help/higher-education-us/accounts-and-registration

**An e-book comes with the Sapling Learning account.**

Course Operating Concept.

We will use a combination of lectures, demonstrations, class discussions, experiments, and problem based learning exercises to cover the assigned course material. You are expected to master the material at the knowledge and comprehension levels from your class preparation and homework. I will focus our class efforts at the application and analysis level of learning.
Before attending class, I expect you to:
1) read the assigned class material
2) complete the Prep exercise (noon)
3) complete the assigned homework (noon)

I will ask individuals to answer questions pertaining to the homework assignment as well as previous class work. This is not intended to embarrass you. This is the Socratic method of teaching which has proven effective for more than 2,000 years. So get ready. If you find this atmosphere unbearable, then you should enroll in another section. Economics is a participation sport. You learn by doing!!!

Course and Exam Coverage:
Unit I: Basic Economic Concepts & Supply and Demand (Chapters 1-3), EXAM 1
Unit II: Markets, Elasticity, Consumer Choices, Cost and Industry Structure (Chapters 4-7), EXAM 2
Unit III: Forms of Competition, Labor Unions, International Trade (Chapters 8-10, 15, 19-20) EXAM 3
Comprehensive Final Exam

Prep & Homework:
Economics is best learned by doing. You are expected to complete the assigned Prep and/or Homework problems before noon of the indicated class period. Pay attention to the concepts, Techniques and procedures emphasized in the questions. You will find the homework assignments listed in the class schedule.

Each assignment consists of 8-12 problems/questions. These are graded exercises found in at the Sapling Learning site.

Exams:
There will be three unit exams and a comprehensive final exam. Exam dates and times are listed at the Course Schedule. Each unit exam contains 30-45 multiple-choice questions and possibly 1-3 short answer questions over the designated material. Students missing the exam should immediately contact me with the facts of the situation. I will require DOCUMENTATION supporting your situation. Make up exams are given on Friday, 8 May at 4 PM. These exams contain only short answer & essay questions.

Exam Feedback:
I will post the exam solution in the "news" section of 02L. You are expected to compare your answers on the multiple choice and short answer questions to the solution provided. Next determine WHY you missed each question. This is the most critical analysis that you can perform. If you have questions regarding the solutions, then present your question(s) at the beginning of the next class. I will answer them before proceeding to new material. I will return your scantron and short answer questions the class period following the exam. If you are absent that day, then you need to pick-up your exam in my office.

Attendance and Problem Based Learning Exercises (PBLX):
Class attendance is expected. I will give two types of unannounced assignments in class. They are PBLX and individual learning exercises. Each is worth 5-10 points. Under no circumstances will make-ups be given for these assignments. There are 32 instructor points available.
**E-Mail communication:** I will respond to your emails within 24 hours provided they are addressed correctly. To facilitate a prompt response to your email(s), you are expected to put "2103.702" in your subject line. For example, your subject line could be: 2103.702 Question about syllabus. Professional correspondence requires a concise subject line. If you fail to do this, then I will return your email unanswered.

**Writing Assignment:**

- **DUE DATE:** Thursday, 30 Apr. (5:00 PM).
- **Essay Topic:** Do government subsidies for new technology or services lead to the desired outcome? Use 3-4 historical examples to support your position.

You will turn in your paper to the class drop box. The paper must be a Word document (doc or docx) file. Your paper will be run through the Turnitin plagiarism software. The electronic version must be dropped-off before the 5:00 PM deadline.

Each paper will be graded as either **Highly Acceptable (HA), Acceptable (A) or Unacceptable (U)**. A HA paper earns 38 of 40 points (95%). A HA paper has a clear thesis statement, strong supporting evidence, deep analytic thought and uses specific examples to support one's position. An acceptable paper earns 34 of 40 points (85%). An acceptable paper has a clear thesis statement, concisely supports the thesis, and shows analytic thought and research. An unacceptable paper fails in two of these areas and receives 0-25 points. A paper that does not have a body of five full pages is considered unacceptable for grading purposes.

**a. General instructions for all pages of the paper.**
1) One inch margins for top, bottom, left and right margins.
2) Use Times New Roman #12 font.
3) Cite using the APA or MLA style manual
4) The body of the paper must be 6-7 pages.
5) Double space in the body of the paper.
6) The paper will be submitted as a Microsoft Word document (doc or docx) file.
7) Number pages in bottom, centered. No number on cover page. Page 2 is where the body of the paper starts.
8) All papers will have a cover page, body and bibliography.

**b. Cover page.**
2) Line 12: ECON 2103.702, Spring 2015
3) Line 14: Your name
4) Line 16: Date

**c. Body**
1) 6-7 pages long
2) Cite all referenced material. Include page numbers for quoted material.
Grades:
1. Exams: four worth 125 points each (500).
2. Prep and Homework assignments: (93).
3. Instructor points: (32)
4. Paper points: (40).
5. **Total Points: 665**
6. Letter grades will be assigned according to the standard scale.
   - A: 90%-100%
   - B: 80%-89%
   - C: 70%-79%
   - D: 60%-69%
   - F: below 60%
7. "You earn what you get and ONLY get what you earn." **There is no point rounding or extra credit. Please don't ask.**

**You can substitute your final exam score for your lowest exam 1-3 score unless you used it for a missing exam due to an authorized absence**

**Academic Dishonesty Policy**
Oklahoma State University is committed to the maintenance of the highest standards of integrity and ethical conduct of its members. This level of ethical behavior and integrity will be maintained in this course. Participating in a behavior that violates academic integrity (e.g., unauthorized collaboration on homework or assignments, plagiarism, multiple submissions of the same assignment, cheating on examinations, fabricating information, helping another person cheat, having unauthorized advance access to examinations, altering or destroying the work of others, and fraudulently altering academic records) will result in your being sanctioned. Violations may subject you to disciplinary action including the following: receiving a failing grade on an assignment, examination or course, receiving a notation of a violation of academic integrity on your transcript (F!), and being suspended from the University. You have the right to appeal the charge. Contact the Office of Academic Affairs, 101 Whitehurst, 405-744-5627, [http://osu.okstate.edu/acadaffr/aa/academicintegrity.htm](http://osu.okstate.edu/acadaffr/aa/academicintegrity.htm)

**Students with Disabilities**
Every effort will be made to create a positive learning environment for all students. Any students requiring special accommodations should contact the Student Disabilities Office as soon as possible.

**Course Schedule Changes:**
The instructor reserves the right to modify the syllabus or course schedule as deemed necessary. If a change is made, it will be disseminated in class.
<table>
<thead>
<tr>
<th>WK/Day</th>
<th>Date</th>
<th>Topic</th>
<th>Due</th>
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<tbody>
<tr>
<td>M</td>
<td>12-Jan</td>
<td>1.1</td>
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<tr>
<td>1</td>
<td>W</td>
<td>14-Jan 1.2-1.4</td>
<td>Video, Introduction to Sapling Learning</td>
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<td>Using the tools in Sapling Learning</td>
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<td>M</td>
<td>19-Jan</td>
<td>Martin Luther King Holiday</td>
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<td>W</td>
<td>21-Jan 2.1-2.2</td>
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<td>26-Jan 2.3, 3.1</td>
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<td>28-Jan 3.2</td>
<td>Chapter (Ch.) 2 Homework (HW)</td>
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<td>M</td>
<td>2-Feb 3.3-3.4</td>
<td>Prep 3</td>
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<td>4-Feb 3.5</td>
<td>Prep 4</td>
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<td>M</td>
<td>9-Feb</td>
<td>Review/ Problem Based Learning Exercise (PBLX)</td>
<td>Ch. 3 HW</td>
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<td>4.1-4.2</td>
<td>Prep 5</td>
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<td>18-Feb 5.1-5.2</td>
<td>Prep 6, Ch. 4 HW</td>
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<td>23-Feb 5.3-5.4</td>
<td>Prep 7</td>
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<td>25-Feb 6.1-6.2</td>
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<td>2-Mar 7.1-7.2</td>
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<td>9-Mar Review</td>
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<td>23-Mar 8.1-8.2</td>
<td>Prep 8</td>
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<td>12</td>
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<td>30-Mar 10.1-10.2</td>
<td>Chas 8 &amp; 9 HW</td>
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<td>1-Apr 15</td>
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<td>13</td>
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<td>6-Apr 19.1-19.2</td>
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<td>13-Apr 20.2-20.3</td>
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<td>15-Apr PBLX</td>
<td>Ch. 20 HW</td>
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<td>20-Apr Review</td>
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<td>22-Apr</td>
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<td>17</td>
<td>M</td>
<td>4-May</td>
<td>Final Exam, 2 PM, (CLB 219)</td>
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</tbody>
</table>
Episode 2: Scarcity and Choice
Episode 3: Resources
Episode 4: Micro vs Macro
Episode 5: Positive vs Normative
Episode 6: Graph Review
Episode 7: Individual PPC
Episode 8: Opportunity Cost
Episode 9: Society's PPC
Episode 10: PPC and Resource Changes
Episode 11: Demand
Episode 12: Change in Demand vs Change in Quantity Demanded
Episode 13: Supply
Episode 14: Market Equilibrium
Episode 15: Price Floors and Price Ceilings
Episode 16: Elasticity of Demand
Elasticity - Characteristics that determine elasticity
Episode 17: Diminishing Marginal Utility
Episode 18: Consumer Equilibrium
Episode 20: Producer Theory
Episode 20B - Short Run vs. Long Run Production
Episode 21: Accounting Costs vs. Economic Costs
Episode 22: Fixed and Variable Costs
Episode 23: Cost Curves
Episode 24: Do we really need all those diagrams?
Episode 25: Market Structures
Episode 26: Perfect Competition
Episode 26B: Maximizing Profits
Episode 27: Monopoly
Episode 27B: Deadweight Loss from Monopoly
Episode 28: Regulation
Episode 29: Monopolistic Competition
Episode 30: Oligopoly
Episode 30A: Collusion
Episode 30B: Antitrust
Episode 30C: Mergers
(THE LOST EPISODES) Market Structures for Buyers
(THE LOST EPISODES) Factor Market Overview
(The Lost Episodes) Perfectly Competitive Factor and Output Markets
(THE LOST EPISODES) Perfectly Competitive Factor, Monopoly Output Market
Episode 31: Market Failures
Episode 34: Comparative Advantage & Trade
Episode 35: Why do countries restrict trade?
Episode 37: GATT/WTO
Episode 36: Types of Trade Restrictions
Episode 38: Trade Blocs
Khan Academy
Microeconomics Topics Classes
1. Opportunity Cost (on PPF)
2. Increasing Opportunity Cost
3. Allocative Efficiency and Marginal Benefit
4. Economic Growth through Investment
5. Comparative Advantage Specialization and Gains from Trade
6. Comparative Advantage and Absolute Advantage
7. Law of Demand
8. Price of Related Products and Demand
9. Changes in Income, Population, or Preferences
10. Normal and Inferior Goods
11. Inferior Goods Clarification
12. Law of Supply
13. Factors Affecting Supply
14. Market Equilibrium
15. Changes in Market Equilibrium
16. Price Elasticity of Demand
17. More on Elasticity of Demand
18. Perfect Inelasticity and Perfect Elasticity of Demand
19. Constant Unit Elasticity
20. Total Revenue and Elasticity
21. More on Total Revenue and Elasticity
22. Cross Elasticity of Demand
23. Elasticity of Supply
24. Elasticity and Strange Percent Changes
25. Demand Curve as Marginal Benefit Curve
26. Consumer Surplus Introduction
27. Total Consumer Surplus as Area
28. Producer Surplus
29. Rent Control and Deadweight Loss
30. Minimum Wage and Price Floors
31. Taxation and Dead Weight Loss
32. Percentage Tax on Hamburgers
33. Taxes and Perfectly Inelastic Demand
34. Taxes and Perfectly Elastic Demand
35. Marginal Utility
36. Equalizing Marginal Utility per Dollar Spent
37. Deriving Demand Curve from Tweaking Marginal Utility per Dollar
38. Budget Line
39. Optimal Point on Budget Line
40. Types of Indifference Curves
41. Economic Profit vs Accounting Profit
42. Depreciation and Opportunity Cost of Capital
43. Fixed, Variable, and Marginal Cost
44. Visualizing Average Costs and Marginal Costs as Slope
45. Marginal Cost and Average Total Cost
46. Marginal Revenue and Marginal Cost
47. Marginal Revenue Below Average Total Cost
48. Long Term Supply Curve and Economic Profit
49. Perfect Competition
50. Monopoly Basics
51. Review of Revenue and Cost Graphs for a Monopoly
52. Monopolist Optimizing Price (part 1)- Total Revenue.
53. Monopolist Optimizing Price (part 2)- Marginal Revenue
54. Monopolist Optimizing Price (part 3)- Dead Weight Loss.avi
55. Optional Calculus Proof to Show that MR has Twice Slope of Demand
56. Oligopolies and Monopolistic Competition
57. Monopolistic Competition and Economic Profit
58. First Degree Price Discrimination
59. A Firm's Marginal Product Revenue Curve (MRP)
60. How Many People to Hire Given the MPR curve