

GOVERNORS STATE UNIVERSITY
College of Business and Public Administration

COURSE TITLE: Principles of Microeconomics

COURSE NO.: ECON 301

INSTRUCTOR: Joe H. Davis

OFFICE PHONE: 708-534-4930

ROOM & TIME: A133
Mondays 7:00 - 9:50 p.m.

CREDITS: Three

TRIMESTER: Fall 1996

DESCRIPTION: Study of price formation, demand and production decisions, examines the individual and interrelated behavior of consumers, firms and industries.

RATIONALE: A knowledge of economics is essential for a proper understanding and appreciation of the society in which we live. Economic events permeate our social, political and cultural environment. Unfortunately, relatively few recognize the importance of understanding our economic system and economic ignorance is the rule. Without economic education how is it possible for the citizen to make those decisions at election time regarding stands on such issues as inflation, unemployment, wage and price controls, "excess" profits, tax level changes and government spending level changes, and the effects of the national debt?

More generally, a knowledge of economics can contribute to an understanding of the causes of the otherwise mysterious happenings just mentioned and thereby to a greater security of mind.

INSTITUTIONAL MODALITIES/ACTIVITIES: The course will consist mainly of lecture/discussion with some laboratory work including written assignments and video viewing.

TEXT: MICROECONOMICS, Byrns and Stone, 6th Edition McGraw-Hill, Inc., 1990

OFFICE HOURS: By appointment only.

GSU ARCHIVES

ECON 301
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In my opinion, the student wishing to successfully complete this course needs to (I) devote about five (5) hours per week outside of class to reading and study, and (II) adopt a systematic study strategy.

One such strategy is the following:

- a. Read the textbook chapter currently being discussed in the lectures.
- b. Do the exercises in the study guide, referring back to the textbook as much as necessary.
- c. Read the textbook chapter again, this time making a written outline of its major points.
- d. Take careful lecture notes and compare them with the textbook discussions for similarities and differences.
- e. Review all of hour notes on a weekly basis.

STANDARDS OF CONDUCT:

Needless to say, students are expected to observe the University's standards of conduct. Additionally, sleeping, newspaper reading, and the use of headphone listening devices are strictly prohibited.

INTENDED AUDIENCE: Juniors and Seniors

EXPECTED STUDENT OUTCOMES:

Upon completion of this course, the student should be able to:

- (1) describe, explain, and apply supply and demand analysis.
- (2) explain and apply the analysis of production and costs involving the basic concepts and their relationships.
- (3) describe, explain, and analyze the firm's price and output behavior under alternative market structures.

Economics may also be studied for its practical value in the business world. It can aid the business person to better understand the internal and external factors of affecting business operations involving supply and demand, choice of inputs, the level of production, prices, wages, profits, competition, labor relations and the impact of government regulations and expenditure.

READING:

An outline of the topics that will be discussed in the lectures is attached. Reading assignments to accompany the lectures are listed on the outline. In addition, you will be required to work in groups analyzing cases and other assignments. It is the student's responsibility to complete the reading assignment even if the material is not covered in the lecture.

GRADES AND GRADING:

There will be two (2) midterm examinations that will together be worth 50% of the final grade. There will also be a comprehensive final examination that will be worth 50% of the final grade. There will be no "extra credit." The examinations will cover materials contained in the textbook, readings and lectures. The student is, therefore, advised to take careful lecture notes. The College policy on the granting of grades of Incomplete (I) will be scrupulously adhered to and the student is, therefore, advised to thoroughly familiarize himself with that policy. He should, in particular, be aware that the grade of "I" is not a substitute for poor performance, and that it will not be given simply because the student is not prepared for the final examination.

NOTES TO THE STUDENT:

The material that you will study in this class and the methods of analysis that you will be required to master will be entirely new to most of you. Therefore, it will require a major effort. The reward, however, will more than compensate for the effort. The student who successfully masters the course material will have an understanding of the inflation, unemployment and wage and price controls, to name just a few topics, that will far exceed the knowledge of most journalists, politicians, and businessmen.

TOPICAL OUTLINE:

- Scarcity and Choice
- Resolving the Problems of Scarcity
- Demand and Supply
- Markets and Equilibrium
- Unemployment and Inflation
- Elasticity
- Consumer Choice
- Theory of the Firms
- Production and Cost
- The Competitive Ideal
- Monopoly
- Imperfect Competition
- Antitrust and Regulation
- Competition Labor Markets
- Rents, Interests, Profits and Capitalism
- Health Care
- International Trade