

**Econ 225 B: Principles of Economics**  
**Moravian College, Spring 2014**  
**Department of Economics and Business**

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**Office Hours:** Mondays and Wednesdays: 2:30 – 3:30 pm;  
Thursdays: 1:30 pm – 3:30 pm; or by appointment.

**Class Information:**

**Meeting Times:** Mondays, Wednesdays, Fridays 10:20 am – 11:30 am

**Class Location:** Comenius Hall 005

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**What is this course all about?** This course is the study of intermediate microeconomic theory and application. Intermediate microeconomics emphasizes the theory of production and analysis of consumer behavior. Students will learn how industries price products, how consumers make optimal choices, and how individuals, firms, and the government make efficient decisions with scarce resources. Current event analyses will be central to grasping the underlying microeconomic concepts that are studied in this course, and also provide the basis for our daily decision-making processes. Additional topics of discussion include: varying market structures, asymmetric information, externalities, and game theory.

**What I am required to read?** *Microeconomics*, 8<sup>th</sup> Edition, Robert S. Pindyck and Daniel L. Rubinfeld, Pearson, Prentice Hall Publishers, New Jersey c. 2013.  
ISBN: 978-0-13-287045-0

Several websites have excellent and regular information on economic articles relevant to classroom discussion.

New York Times: <http://www.nytimes.com/>

Wall Street Journal: <http://online.wsj.com/public/page/news-economy.html>

The Economist: <http://www.economist.com/>

Other relevant readings and course materials will be posted on the Blackboard site for this class. Please check Blackboard regularly.

**What else do I need for class?** (1) In addition to the text you should bring 3-inch by 5-inch notecards to class for surprise assessments and homework submissions. (2) A simple, four-function calculator for exams.

**What preparation do I have to have?** You must have successfully completed Econ 152, Econ 156, college-level calculus (Math 108, 170, or 106-166), and have sophomore standing before beginning this course.

### **How will I be assessed?**

Exam 1	15%
Exam 2	15%
Final Exam	15%
Quizzes (5)	15%
Participation	5%
Discussion Forum	5%
Final Project	15%
Problem Sets	15%

### **What are the learning outcomes for this course?**

- Identify and describe the main theories of utility- and profit-maximization
- Empirically identify and estimate cost functions, utility functions, and demand curves.
- Develop effective analytical techniques using microeconomic theory, and apply these skills to the analysis of individual, business, and government decisions in the economy.
- Develop critical thinking and problem solving skills as they relate to microeconomic analysis.

### **What is the workload expectation for this course?**

This course is a full-unit course that meets three times per week for 70 minutes at each class period. Middle States Accreditation requires that each full-unit course include at least 174 hours of course-work during the fifteen-week semester. Over the course of the spring semester we will meet 38 times for 70 minutes each; therefore, our classroom time will only account for 44 of these required hours. This implies that work outside of the classroom must meet a minimum threshold of 130 hours, or nine hours per week (with the exception of spring break). The activities and assignments required for successful completion of this course are designed with that goal in mind.

**What schedule\* will we follow in this course?**

Week:	Topic:	Assignments Due:
1: Jan. 13, 15, 17	Introduction and Review: Chapters 1 & 2	Syllabus Signature Page Due: Jan. 17
2: Jan. 22, 24 (no class Jan. 20)	Consumer Behavior: Chapters 3	Quiz #1 Due Jan. 26
3: Jan. 27, 29, 31	Consumer Behavior, cont. and Demand: Chapters 3 & 4	PS #1 Due Jan. 31
4: Feb. 3, 5, 7	Demand, cont. and Uncertainty: Chapters 4, 5.1, and 5.2	Quiz #2 Due Feb. 9
5: Feb. 10, 12, 14	Production: Chapter 6	PS #2 Due Feb. 14
6: Feb. 17, 19, 21	Costs of Production: Chapter 7	Exam #1 Feb. 21
7: Feb. 24, 26, 28	Review Producers and Consumers: Chapters 7 and 8	PS #3 Due Feb. 28
8: No class	Spring Break	
9: Mar. 10, 12 (no class Mar. 14)	Competitive Markets: Chapter 9	Quiz #4 Due Mar. 17
10: Mar. 17, 19, 21	Market Power and Monopolies: Chapter 10 (with sections of Chapter 11)	PS #4 Due Mar. 21
11: Mar. 24, 26, 28	Monopolistic Competition and Game Theory: Chapters 12 and 13	Quiz #5 Due Mar. 30
12: Mar. 31, Apr. 2, 4	Game Theory and Oligopolies: Chapters 12 and 13	PS #5 Due Apr. 4
13: Apr. 7, 9, 11	Chapter 17: Markets with Asymmetric Information (with section 16.7 and sections of Chapter 8)	Exam #2 Apr. 11
14: Apr. 14, 16 (no class Apr. 18)	Chapter 18: Externalities and Public Goods	Final Project Due Apr. 16 Last day for Discussion Board Posts: Apr. 16
15: Apr. 23, 25 (no class Apr. 21)	Special Topics and Review	PS #6 Due Apr. 25
Finals Week: Apr. 29	Final Exam	Final Exam: Wednesday, Apr. 30 @ 1:30 pm

\* Schedule subject to change with notice.

Problem sets (PSs) will be listed on Blackboard at least two weeks prior to their due dates. PSs are due at the beginning of class, on the due date noted above.

Quizzes are taken outside-of-class through Blackboard. Quizzes will be available for 72 hours before their due date. Quizzes must be *completed* by 11:59 pm on the date listed above.

### **What are your classroom policies?**

1. Attendance is expected at each class period.
2. As a common courtesy for your fellow students and myself, I expect students to be on time.
3. I do not allow cell phone use in class.
4. Violations of the Moravian College Academic Honesty Code will not be tolerated.
5. Communication for this course will occur through your Moravian e-mail account and Blackboard. You are required to check these sources regularly for updates and assignments related to this course.
6. Late assignments are not accepted and a grade of zero is recorded. Please be cognizant of the due dates for each assignment. No exceptions will be made to accommodate late work.
7. Part of your responsibility as a Moravian student is to attend classes and to take notes. This is an essential part of the learning process. I will therefore not post extensive lecture notes online. Also, note that this course will be fairly intense, so it is essential that you do not fall behind in your readings.
8. I do not give makeup examinations (or quizzes). If you miss an assessment without notifying me beforehand, or without providing a proper excuse (written excuse from health center or dean), you will receive a zero for that assessment. If you miss an assessment due to an extenuating circumstance (and have proper documentation and notify me beforehand), the percentage from the missed assessment will be split evenly between the other remaining exams (or quizzes).
9. The final exam will be given at the date and time assigned by the registrar.
10. Students who wish to request accommodations in this class for a disability should contact Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center.
11. I do not offer extra credit.

**The following pages detail specific information regarding each assessment. More details will be provided as due dates and exam dates approach.**

### **PARTICIPATION**

Class participation accounts for five percent of your final grade. Simply attending class will earn students an approximate participation grade of 75%. Students can marginally improve their participation grade through “passive participation”, which implies attending class, taking notes, and being attentive. Students can substantially improve their participation grade through “active participation”, which includes volunteering thoughtful questions and answers on a regular basis. Students who choose not to attend class will receive a participation grade lower than a 75%. Additionally, there will be surprise assessments on a regular basis to check students’ understanding of certain topics. Successfully completing these assessments will also improve a student’s participation grade.

### **PROBLEM SETS**

Problem sets (PSs) are designed to enhance your problem-solving and economic analysis skills. PSs will be reviewed in class on their respective due dates. Prior to this review, I will randomly select one question from the PS that I will grade. Each student will be required to rewrite his/ her answer to this question on a 3-inch by 5-inch index card and submit it for grading. This problem will be graded for accuracy and represents the grade for that PS.

All students are required to complete individual PSs; however, you are encouraged to ask questions about PSs and work with your classmates to resolve difficult questions.

You are required to prepare bi-weekly PSs according to the schedule detailed above. The requirements for each PS will be detailed on Blackboard two weeks before each respective due date. Your graded problem must be submitted at the beginning of class! If you cannot attend class on the date an assignment is due, make arrangements for a friend or classmate to submit your *entire* assignment. Late assignments are not accepted.

Problem sets are graded out of two points according to the following scale:

2 points:	complete and accurate
1 point:	incomplete or inaccurate
0 points:	late or missing

## DISCUSSION FORUM

We will be using the discussion board within Blackboard to discuss current events related to the restaurant industry (which we will be studying in-depth for the final project). You are required to post an analysis of *at least* two articles and respond to *at least* two of your classmates' posts during the course of the semester.

The discussion forum will be organized by specific microeconomic concepts (production costs, competitive structure, market failure, etc.). You should post your analyses to the appropriate section.

Your analysis of each article should:

1. indicate the specific microeconomic concept(s) is (are) discussed in the article;
2. demonstrate an understanding of the concept(s); and
3. demonstrate why this article is a good example of the concept(s).

The following "rules" apply:

- Articles must have appeared in print since Jan. 13, 2014 (Cartoons are eligible).
- Source and date of each article must be indicated, in addition to a link for others to review the article. All types of magazines and newspapers are eligible.
- The analysis of each article is limited to a maximum of two paragraphs.
- The last day to submit your posts on Blackboard is April 16.

Posts will be graded on:

- Quality of the analysis of each article.
- Appropriateness of the articles selected.
- Diversity of topics covered in the articles.
- Overall presentation of the materials.

## FINAL PROJECT

The final course project in this class will encompass application of the theories of microeconomics to the restaurant industry. As a class, you will develop the production costs and pricing strategies necessary to maximize your profit for a given restaurant you will hypothetically open. In addition to cost functions and demand curves you will consider advertising strategies and how to deal with market failures. Specific details regarding deadlines and deliverables will be given as the course progresses.

## QUIZZES

Quizzes are meant to test your knowledge of basic concepts covered in class and assigned readings. Quizzes will be taken outside-of-class through Blackboard. They are due by 11:59 pm on the dates listed above. Missed quizzes receive a grade of a zero; there are no exceptions.

Blackboard quizzes are timed and questions must be answered sequentially, i.e. you are not permitted to 'backtrack'. The only items permitted for use during your quizzes are: approved classroom textbooks; your personal notes, worksheets, and problem sets from class; and a calculator. You are specifically prohibited from working with another person or using **any** other outside source to complete these quizzes.

## EXAMS

Exams consist of problems, essays, multiple choice, and short answer questions. Exams will cover a combination of topics from many chapters, which will be announced in the week prior to the exam. In-class exams are restricted to a one-hour time period. You may need calculators for some exams. Simple four-function calculators are the only type of calculator permitted during exams. You cannot share calculators. Cell phones may not be used as calculators, or for any other purpose during an exam. Exam dates are listed above, and make-ups will not be given.

Exam questions include short answer (analytical, definitional), multiple choice and essay questions. Sometimes a student will disagree with a grade assigned to a particular question. This is a legitimate concern and will be addressed in the following procedure. To have an answer reevaluated, the student must submit a written request for a reevaluation. This request should identify the question in dispute, provide a written explanation why the student feels the question was incorrectly evaluated, and propose a suggested remedy. It is within the instructor's purview to apply qualitative judgment in determining grades for an assignment or for a course. The following dates represent the deadline for grading appeals:

Exam 1: Mar. 12

Exam 2: Apr. 25

Appeals received after the above-stated dates will not be reviewed.