

# Economics 2103

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## Purpose

The purpose of this course is to teach you to basic microeconomic principles that can be used to improve decision-making. Economic principles can be widely applied to problems in business, government, as well as in your everyday life. Emphasis will be placed on your understanding of the basic microeconomic principles as well as your ability to use the principles in new settings.

There are plenty of “experts” telling you that the world needs more this or less of that. Unfortunately, without a basic understanding of economics you really don’t have the tools you need to evaluate these claims. I hope you will take the time this semester to learn some of these tools. Once mastered and internalized, they will serve you well. Microeconomic principles will complement the expertise you develop in nearly any endeavor you may pursue. My goal is to give you something that will last a lot longer than this course. I want you to develop an economic way of thinking. When you do, you’ll see the world in terms of trade-offs and you’ll be looking for the unintended consequences of your choices.

## Recommendation

I recommend that you find a study partner. There is a lot of material to learn in this course and some of it will appear to be overly technical (though I promise you that I will avoid anything that I do not deem necessary to achieve our stated purpose). Each person in the

course will have different opportunity costs associated learning the many things that we are covering. Therefore there are ample possibilities to use the law of comparative advantage to your advantage.

## Prerequisites

This course is self-contained. There are no prerequisites for this course. Familiarity with how to access information on the Internet will be helpful. Specifically, you should be able to access my web page using Firefox, Internet Explorer or comparable web browser. This will be useful because it contains useful information about this course and its contents.

## Texts

*Principles of Microeconomics*, 1st edition, by James D. Miller. New York: McGraw-Hill, 2009. ISBN-13: 978-0073402833. Link to book at Amazon.com.

There is supposed to be a study guide available for this book. The McGraw-Hill website claims, "The study guide consists of short chapter reviews, multiple-choice quizzes, short answer questions, and potential exam essay questions for students to consider. Written by James Couch (University of Northern Alabama)." I have yet to see a copy of this guide so I cannot assess its merit. In fact, I'm not sure it has been released yet. When I can confirm that it has, I will let you know.

The online learning center hosted by the book's publisher is [http://highered.mcgraw-hill.com/sites/0073402834/student\\_view0/index.html](http://highered.mcgraw-hill.com/sites/0073402834/student_view0/index.html). Here you will find a sample quiz for each chapter, practice exercises, and Power Point slides.

## Course Outline

For the sake of listing one, here are the topics I would like to cover this semester. How much of this gets covered depends on many things, including the amount of discussion we have during class. More class discussion means fewer topics will be covered. With no discussion, we should be able to finish the whole list. There are always trade-offs! In this case, depth vs. breadth. Each has its merits and we will move at a pace that suits the character of our class.

1. What Is Microeconomics? (Chapter 1)
2. Introducing Supply And Demand (Chapter 2)
3. Supply And Demand Intertwined (Chapter 3)
4. Elasticity (Chapter 4)
5. Policy Analysis with Supply and Demand (Chapter 5)
6. Wealth Creation and Destruction (Chapter 6)
7. Trade (Chapter 7)
8. Costs (Chapter 8)
9. Perfect Competition (Chapter 9)
10. Monopoly (Chapter 10)
11. Government Imperfection (Chapter 12)
12. Externalities (Chapter 13)
13. Property Rights (Chapter 14)

## Exams and Grading

All exams will consist of multiple choice questions. Each exam is designed to be taken in 50 minutes.

Four exams will be given during the semester. Each of the exams counts 25% of your grade. Other than an occasional ‘attendance quiz,’ **no extra credit assignments will be given under any circumstance**. I can only try to measure your output (using test scores); I have no reliable way to measure your input (how hard you try, how often you study, how long you study, whether you pay attention in class, or even how often you attend). In the end, it is what you know that creates value and this is what I am interested in measuring. This is similar to what your boss will do in your life at work. Although it stands to reason that more input leads to better output, this is not always the case. However, input and output are highly correlated. For many, doing well will require substantial input. More for some than for others.

## Exam Policy

No make-up exams will be given for unexcused absences. An exam that is missed will be assigned a grade of 0 unless I am notified, either in person or by telephone, prior to the exam and only if the excuse is a legitimate medical one or is officially approved. I will not accept email excuses.

Under exceptional circumstances I **may** grant you permission to take an exam at an alternate time. I will only grant permission in extraordinary circumstances. This opportunity is reserved for legitimate medical emergencies or for absences that are officially sanctioned and approved by the University. Prior approval from me (again, not by email) is still required. If I allow a 'make-up' the exam will be taken at the University testing center at a time of my choosing. Once a time has been chosen, the student is responsible for contacting the testing center to schedule an appointment for the exam. **Note, the testing center will charge you \$15 to take an exam.** See [http://uat.okstate.edu/testing/tests/proctored\\_exams.html](http://uat.okstate.edu/testing/tests/proctored_exams.html) under the section for paper-based exams (for course with OSU Instructors) for university testing center policies. A make-up exam may take any form I deem academically reliable, and is not guaranteed to be similar to the one offered at the original time.

Do not miss an exam. If for some reason you anticipate a schedule problem (like officially approved athletic travel dates, etc.), talk to me well before the exam so that an alternative arrangement, when possible, can be made. Remember, if you miss an exam without prior approval to do so, you'll get a zero. That means that you'll probably get an F in the course. Don't mess up!

## Grades

Grades will be assigned on the following scale.

90\%-100\%	= A
80\%-89.99\%	= B
70\%-79.99\%	= C
60\%-69.99\%	= D
Below 60	= F

## Important Dates

For a complete listing of the academic calendar see <http://www.okstate.edu/registrar/AcademicCalendar/AcademicCalendarMain.html>.

January 20	Last day to drop with no grade
March 14 - 22	No class. Spring Break.
April 10	Last day to drop a course with "W"
April 24	Last day to withdraw from all courses with "W" or "F"
May 7 (Thursday)	Final Exam, 10:00 a.m.

## Attendance Policy

Although I may never take role, I expect you to attend class everyday. You cannot expect to learn very much about economics this semester unless you attend this class regularly. That is not to say that everything you learn about economics this spring will be learned in class. Learning anything as powerful as economic principles is never that easy. On the contrary, most of what you will learn will be learned outside of class as you read, study, and discuss economics with your classmates. The purpose of class is to inform your reading, study, and discussions; lectures are used to present the basic structure of the economic models, illustrate points, answer questions, and to point out subtleties that would otherwise escape your attention. Without attending class, you won't have much of a clue about what or how to study. Attendance is crucial. It benefits you, your classmates, and me.

The taxpayers of Oklahoma provide the University a substantial subsidy to cover the cost of your education (they pay about 75%). In order to protect the taxpayers' overwhelming interest, I reserve the right to deny assistance to any enrolled student who does not attend class on a regular basis. Office hours are provided to assist those who take their academic responsibilities seriously. In other words, if you don't come to class regularly, don't bother coming to my office either.

I reserve the right to offer 'attendance quizzes' if I deem them to be useful in helping me to reward effort in the course. Their contribution to your final grade will not exceed 3% of the total score.

## Cheating Policy

Cheating in any form will not be tolerated. If you are caught cheating on an exam you will be given a zero for that exam and your actions will be reported to the proper authorities, which include your advisor, my department head, your academic dean, and the Office of Student Conduct. OSU's academic integrity policy will be followed in this course. Please refer to <http://academicintegrity.okstate.edu/> for specifics and examples of violations.

Cheating includes, but is not necessarily limited to, the following: obtaining, using, or distributing a copy of an exam before it has been given to all who are required to take the exam; altering your exam after it has been graded; copying answers or otherwise obtaining assistance from another student during an exam; using materials that are not permitted during an exam (e.g., cheat sheets); and providing information about an exam to other students who have yet to take the exam. It is also your responsibility to take the necessary precautions to prevent another student from seeing and/or using your exam as a source of information. Be smart, don't cheat.

## Cell Phones, iPods, Computers

Please be considerate of your classmates and respectful of me. If you are not going to listen to me and engage in what we are doing, then do something else. Despite what you have been led to believe, multitasking is not a skill that will get you very far in life (since almost no one is actually capable of concentrating on more than one thing at a time). Decide how you want to spend your time, then devote your full attention to that task. Toward that end, please observe the following:

**Cell phone use (of any kind – voice, texting, calculator, photography ...) is not permitted during class. Phones must be rendered inaudible (either turn them off completely or at least set them not to make noise) during class time. Note: During exams, any cell phone use will automatically constitute cheating (and will be dealt with as such).**

Also, no use of ipods (or similar devices) is allowed during class.

Computer use (i.e., the use of a laptop, etc.) is not allowed in class unless a clear and convincing case is made for the use of one.

Course Motto: Economics is fun!

# How to Succeed in Econ 2103

If you want to succeed in Econ 2103 there are several things which you must do on a regular basis. Average students (those with 2.5 GPA) can usually make above average grades in my class if they develop proper study habits. The basic rule of thumb is: Spend 6 hours per week studying economics and success is likely to follow. Here is my personal formula for improving performance.

**Read the book.** Read assigned material before coming to class. This prevents what I call the foreign language syndrome (FLS). FLS occurs when students attend class, but don't have a clue as to what the professor is saying... he is apparently speaking in an unknown tongue. Students then rationalize not attending class by saying to themselves, "I don't get anything out of his lectures." If you are not a very good reader, then economics will be much harder for you to learn.

**Attend class regularly.** For most, reading the book and completing the study guide are necessary but not sufficient conditions for doing well in Econ. You will find that by attending class you will often discover what the teacher finds important. If the teacher believes something is important, then . . . *he will probably discuss it in class!* By attending class and paying attention to what I say, you will often be able to economize on the amount of material you need to cover on your own.

**Concentrate** When you are in class, you should concentrate on what I'm talking about. Just sitting in class does little for you. Try to actually think about what is being said and what that means about the things in your experience. If you have trouble concentrating, then you should increase the number of times you study, and decrease the duration of those sessions. For instance, study for 20 minutes in three sessions rather than a single 1-hour session. Remember, multitasking is for underachievers ....  
Concentrating for 75 minutes in Tuesday - Thursday lecture classes is very hard to do, but try. It will help. I'll help by trying to condense lectures to smaller time blocks and then letting you go when finished.

**Review your notes.** After each class, it's a good idea to review that day's notes. Take a few minutes to make sure everything you have written down is 1) correct and 2) makes sense to you. You will usually find "truth" in your textbook. If your notes or your book don't make sense, either figure out why or ask about it in the next class. If you solve each of these little puzzles as you go along, then when test time comes you'll be working under much less stress and will tend to do much better.

**Use the study guide or the textbook's website.** The study guide/website will give you much needed practice in answering questions like those you'll see on the exam. How often have I seen students bomb the first exam simply because they weren't used to

seeing questions put in that format. Practice makes perfect ... And besides, it's not unusual for me to put a few of these on the exams.

**Rewrite notes.** If you are really serious about improving your grade, I've found that it is a good idea to rewrite your notes at least once before the exam. There is some mysterious force at work in the universe which imparts greater understanding and memory to those who actively participate in the learning process. Active participation includes such things as discussion and writing. Reading notes is not active. Writing the notes is active, and by doing this, you will improve comprehension and retention and will improve your grade.

**Don't cram.** For the type of thinking exams you will encounter in this class, it is very important that you keep up and study as you go along. And, whatever you do, please don't stay up all night studying before an exam. This is just about the biggest mistake one can make in an economics class. At that point, you will do better with a fresh mind than one dulled by fatigue and filled with poorly understood 'facts'. Many courses reward memorization, but Economics is not one of them. Economics is about analysis—which means that you need to have a good command of the tools that we teach and good judgement in *using* them.

**Think!** This is the hardest of all. When in doubt, use the grey stuff lodged between your ears to actually think about what is going on around you. More specifically, think about things in light of what you are learning in College. If what we are teaching you is not changing the way you think about things, then you are in the wrong place! If a microeconomics class doesn't change the way you think about stuff, then you aren't thinking.....