

PRINCIPLES OF MICROECONOMICS (ECON 2010-100)  
Department of Economics, University of Colorado  
Spring 2013

Class time: M,W,F: 1:00-1:50 pm Room: CHEM 140

Professor: Charles de Bortolome Recitation instructor:  
Office hours: M 9:45-10:45am; W 10:30-11:30am Recitation time:  
Th 1:30 - 2:30 pm. Recitation place:  
Office: Econ 203. Office hours:  
e-mail: debartol@colorado.edu Office:

Textbook Mankiw, N. Gregory, (2009), Principles of Microeconomics (6th Edition) WITH APLIA ACCESS. Cengage Learning

Buying Aplia on its own is expensive. I have negotiated a price of \$108 for the bundle when the book plus Aplia is purchased at the Cengage Brain microsite:  
<http://www.cengagebrain.com/micro/1-1A101>

Aplia: Each student must enroll in Aplia in addition to providing additional learning materials, there are weekly quizzes on Aplia which will be graded. Each quiz is due by 10am on Monday

The first Aplia quiz is due at 10am on Monday, 28 January

"Clickers" Each student must buy a clicker. If you do not already own one, a clicker may be purchased at the University of Colorado bookstore. Clickers will be used to promote faculty-student interaction. They will also be used to give class problems which will be scored.

Clickers should be registered at <https://myCUinfo.colorado.edu>

Course description:

Microeconomics is about what goods get produced and at what prices they are sold. The individual must decide what goods to buy, how much to save and how hard to work. The firm must decide how much to produce and with what technology. The course explores how the magic of the market coordinates these decisions. I

Course Level: The course is an introductory

Concerning



## Classroom Behavior:

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability and nationalities. Class rosters are provided to the instructor with the student's legal name. Will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)

## Harassment Policy

The University of Colorado at Boulder (CU-B)

## COURSE OUTLINE

Date	Topic	Chapter
14, 16, 18 Jan	<b>INTRODUCTION</b> Eleven Big Ideas Scarcity Trade-off. Opportunity cost. Economics as a social science. Positive and normative. Circular flow model. Production possibility model.	1, 2
23, 25 Jan	<b>GAINS FROM TRADE</b> Comparative advantage Specialization. Mutual gains from trade.	3
28, 30 Jan. 1 Feb	<b>DETERMINATION OF THE MARKET PRICE</b> Competitive markets. Individual and market demand curves. Individual and market supply curves. Equilibrium: Law of Supply and Demand.	4 (pp. 65-78)
4 Feb	<b>CHANGES IN MARKET CONDITIONS</b> Shifts in the demand curve: substitutes and complements. Shifts in the supply curve.	4 (pp. 78-85)
6, 8 Feb	<b>INTERFERING WITH THE MARKET MECHANISM</b> Coordinating role of prices. Inelastic = steep, Elastic = flat. Price-ceiling and price-floors.	6 (pp. 111-121)

11, 13, 15 Feb	HOUSEHOLD DECISION-MAKING: BENEFIT MAXIMIZATION Benefit = willingness to pay Consumer surplus Scarcity budget line. Decision-making marginal changes. Marginal benefit. Purchase decision rule: "marginal benefit = price" rule Consumer demand curve = marginal benefit curve. Individual net benefit (individual consumer surplus)	7 (pp. 135-140) and pp. 439-441
18 Feb	In-class review 7:00-9:00 pm FIRST MIDTERM	
20 Feb	HOUSEHOLD DECISION-MAKING AND SOCIETAL GAINS Society's Marginal Benefit Society's Net Benefit (society's consumer surplus)	
22, 25 Feb	FIRM DECISION-MAKING AND SOCIETAL GAINS Marginal changes Marginal cost Production decision rule: "marginal cost = price" rule Operating profit (producer surplus), marginal operating profit.	7 (pp. 141-144)
27 Feb. 1 Mar	EVALUATING THE MARKET OUTCOME Market efficiency First Fundamental Welfare Theory Limitations: equity	7 (pp. 145-151) and pp. 415-420
4, 6 Mar	APPLICATION OF MARKET EFFICIENCY International trade.	9 (pp.171-177, 180-189)
8,11,13,15,18 Mar	FIRMS: PRODUCTION AND COSTS Distinguishing accounting and economic costs. Production function, diminishing marginal product. Marginal Cost, increasing marginal cost. Fixed and Variable Costs. Average and Marginal Costs. Relationship between Average and Marginal Costs	13 (pp. 259-271)
20 Mar	In-class review 7:00-9:00 pm SECOND MIDTERM	

22 Mar	FIRM DECISION-MAKING: PROFIT MAXIMIZATION Profit maximization Marginal revenue. Entry Competitive firm's demand curve is horizontal Short-run and long-run	14 (pp. 279-282)
1, 3, 5 Apr	FIRM DECISION-MAKING: COMPETITIVE FIRM Presence rule of existing firm: "produce if price $\geq$ min average variable cost" Presence rule of new firm: "enter if price $\geq$ min average total cost" Level rule: "produce till marginal cost = price" Firm supply curve in short-run and long-run.	14 (pp. 282-289)
8, 10 Apr	MARKET ADJUSTMENT Short-run market supply curve is upward sloping Long-run market supply curve is horizontal. In long-run: price = min average cost. Market dynamics in the short-run and in the long-run.	14 (pp. 289-293)
12,15,17,19 Apr	MARKET FAILURE: MONOPOLY Monopoly demand curve is downward sloping Monopoly marginal revenue $<$ price. Monopoly output choice: "marginal revenue = marginal cost" rule. Natural process of innovation, profits and entry Inefficiency deadweight loss. Public policy discussion.	15 (pp. 299-313, 318-324)
22,24,26,29 Apr	MARKET FAILURE: EXTERNALITIES Divergence of group and individual incentives. Public policy discussion	10
1 May	INPUT MARKET: LABOR PROFIT (27)h NV 8/7/25-1a Cc AB	18