Economics is divided into two main branches: microeconomics and macroeconomics. Microeconomics is the study of individual economic actors (individuals, households and firms) and of individual markets (for example, the market for gas in Corvallis or the US). Macroeconomics is the study of how the aggregate actions of all of these actors and markets determine things like price levels and inflation, unemployment, the value of national output and interest rates, and how the government, through fiscal and monetary policy can influence the economy. This is, of course, a course in microeconomics and, as such, we shall study individual behavior and how economic incentives influence behavior and how this behavior shapes market outcomes.

This course is a bit different than many principles of economics courses in that I shall emphasize a small set of core economic principles and illustrate them through the extensive use of anecdotes and examples. There will be much less emphasis on graphs and tables and detailed economic analysis in this class and much more emphasis on developing economic intuition than in an ‘old style’ principles course. Once this small set of core economic principles is clear to you, you will be able to start applying them to all sorts of everyday situations and behaviors. You shall become both a shrewd and informed observer of economic activity, and a better decision maker yourself.

A note on summer classes: this class will proceed extremely rapidly through the text and you should be prepared to spend a lot of out of class time keeping up with readings in the text and with the problems at the end of each chapter.

Text

The text for this course is Principles of Microeconomics (3rd Edition) by Robert Frank and Ben Bernanke.

Course Website

I will maintain a rudimentary course website where you can find lecture notes, the syllabus, course announcements and other handouts.
Grading

Grades will be based on OSU’s 4-point scale. There are three components to your grade: you will have two economic naturalist papers which will be weighted 10% each and thus together will account for 20% of your grade, a midterm exam will account for 40% of your grade and a final will account for 40% for your grade.

Problem Sets

Problem sets will not be assigned. Problems at the end of each chapter are ESSENTIAL to master, however, and I shall make available answers to these problems in the course of the class. These problems are extremely important and should be taken very seriously. Similar problems will appear on exams and so good performance on the problem sets is essential for good performance on the exams.

Papers

Two very short (one page) papers will be assigned. Details will be given later in class.

Exams

There will be one midterm and one final. Below are the dates for the midterm exam and the final week. INK THEM INTO YOUR CALENDAR NOW. There will be NO make-up exams offered.

Midterm: Thursday, August 2, in-class.
Final: Thursday, August 16, in-class.

Academic Misconduct

At Oregon State University academic dishonesty is defined by the Oregon Administrative Rules 576-015-0020.1.a-c as: An intentional act of deception in which a student seeks to claim credit for the work or effort of another person or uses unauthorized materials or fabricated information in any academic work. It includes "cheating" (the intentional use or attempted use of unauthorized materials, information, or study aids); "fabrication" (the intentional falsification or invention of any information); "assisting in dishonesty or tampering" (intentionally or knowingly helping or attempting to help another commit an act of dishonesty or tampering with evaluation instruments and documents); and "plagiarism" (intentionally or knowingly representing the words or ideas of another person as one’s own).

Minimum sanction in this class for any incidence of academic misconduct will be the receipt of an F grade for this course and notification of the Dean of your college.
Course Outline

I. Introduction

Chapter 1:
Thinking Like an Economist (Lectures 1, 2 & 3)
Chapter 2:
Comparative Advantage: The Basis for Exchange (Lectures 4 & 5)
Chapter 3:
Supply and Demand: An Introduction (Lectures 6 & 7)

II. Competition and the Invisible Hand

Chapter 4:
Elasticity (Lecture 8)
Chapter 5:
Demand: The Benefit Side of the Market (Lectures 9 & 10)
Chapter 6:
Perfectly Competitive Supply: The Cost Side of the Market (Lectures 11 & 12)
Chapter 7:
Efficiency and Exchange (Lectures 13, 14 & 15)
Chapter 8:
The Quest for Profit and the Invisible Hand (Lecture 16)

III. Market Imperfections

Chapter 10:
Monopoly and Other Forms of Imperfect Competition (Lectures 17 & 18)
Chapter 11:
Strategic Choice in Oligopoly, Monopolistic Competition, and Life (Lectures 19 & 20)
Chapter 12:
Externalities and Property Rights (Lectures 21 & 22)
Chapter 13:
The Economics of Information (Lectures 23 & 24)

IV. Economics of Public Policy

Chapter 14:
Labor Markets, Poverty, and Income Distribution (Lectures 25 & 26)
Chapter 16:
Public Goods and Tax Policy (Lecture 27)

NOT COVERED: Chapters 9 & 15
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