

COURSE SYLLABUS

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1. Resources

Description from Course Catalog: Economic analysis of individual markets. Production, comparative advantage, supply and demand, elasticities, price and quantity controls, taxes and subsidies, international trade, consumer choice, business cost curves and profit maximization, consumer and producer surplus, economic efficiency, monopoly, oligopoly, externalities, and public goods. Students are expected to understand graphs, functions, and algebra at the level of tenth-grade high school mathematics.

CBPA Promises: “Our graduates will be equipped with the technical skills, business acumen, empathy, and experience necessary to innovate and lead in a globally complex, diverse, and dynamic world. They will be (1) Proficient in their fields, (2) Data-driven, strategic, and innovative problem solvers, (3) Effective communicators, (4) Socially and ethically responsible leaders, and (5) Global and multicultural citizens.” This course addresses all five Promises, but especially Promises (2), (4), and (5).

Class meetings: CRN 4873 meets Tuesdays and Thursdays from 8:00 to 9:15 in Aliber 101.

How to contact instructor:

- Electronic mail: william.boal@drake.edu
- Office: 319 Aliber Hall
- Telephone and voice mail: 271-3129

The quickest way to reach me is by email, which I check continually throughout the day. Please do *not* send messages by Blackboard, which I check infrequently.

Office hours: Office hours are a time when you can get help with homework, ask questions about course material, and discuss your grade or anything related to this course or economics in general. Bring your slideshow handouts. My office hours this semester are Monday, Tuesday, and Wednesday, 2 to 4 PM on Zoom. Please make an appointment at least 3 hours in advance on Starfish. Zoom links are posted on Starfish and Blackboard. If these hours are inconvenient due to schedule conflicts, please send email to schedule a special appointment and suggest some alternate times.

Resources to purchase:

- Required: John B. Taylor and Akila Weerapana. *Principles of Microeconomics*, Version **9.1**. Flat World Textbooks (flatworld.com). 2021. ISBN 978-1-4533-3951-0. Buy it from either the University Bookstore or the publisher’s website, <https://students.flatworldknowledge.com/course/2603041>. Do not buy a used copy because it will not allow access to the FlatWorld Homework Assignments (linked from Blackboard). If you lose your access code or have difficulty accessing the FlatWorld Homework Assignments from Blackboard, please go to https://catalog.flatworldknowledge.com/customer_support for help.
- Required: *Boal's Econ 002 Slideshow Handouts*, a packet of photocopies. Buy it at the University Bookstore. Please bring it to class every day.
- Required: A simple calculator (capable of addition, subtraction, multiplication and division) for exams. *Graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted during exams.* If you do not bring a simple calculator, you must take the exam without a calculator.
- Recommended: A three-ring binder and a highlighter for your course packet.

Online resources:

- Drake email. Course announcements will occasionally be sent to this account, so check it daily. Announcements often get diverted to “Junk” or “Clutter” folders, so check them as well as your inbox.
- [Blackboard](#). Required FlatWorld homework, slideshow quizzes, and problem sets are posted here. If you have difficulty accessing Blackboard, please call the ITS HelpDesk at 271-3001.
- Course materials webpage (wmbosal.com/pmicro). Old exams are posted here.

Tutoring resources:

- Your instructor should be your first resource for questions and help.
- The Economics Tutoring Lab provides free tutoring by advanced economics students. The Lab opens about the third week of the semester. Hours and location are at www.drake.edu/economics/resources/. Appointments can be made at www.drake.edu/access-success/tutoring/. To help the tutor help you, read the textbook first, and bring your slideshow handouts to the Lab.
- The Math Tutoring Lab (library.drake.edu/math-tutoring/) can help with purely mathematical questions.

2. Requirements

Course grade: Each exam and assignment is graded on a scale from zero to 100. Your overall course score is calculated as a weighted average, using the following formula:

$$\text{SCORE} = 70\% \times \text{average Exam score} + 10\% \times \text{average FlatWorld Homework score} + 10\% \times \text{average Slideshow Quiz score} + 10\% \times \text{average Problem Set score} - \text{Absences}$$

A SCORE of 97 or above is required for an A+, 93 for an A, 90 for an A-, 87 for a B+, 83 for a B, 80 for a B-, 77 for a C+, 73 for a C, 70 for a C-, 67 for a D+, 63 for a D, and 60 for a D-. SCORES will not be rounded before awarding letter grades. Extra credit work is *not* available. Exams and assignments may *not* be redone for a better grade. Just resolve to do better on the next one!

Exams: There will be four in-class exams and a final examination. All exams are closed-book, closed-notes. Simple calculators are permitted, *but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are not permitted*. If you do not bring a simple calculator, you must take the exam without a calculator. The nature of the course material is cumulative, so exams may contain material from previous sections of the course. The final exam counts double and is required—students who do not take the final will not pass the course.

FlatWorld Homeworks: These online assignments cover the textbook readings and are accessed from Blackboard. Note that they are due the day *before* the topic is discussed in class.

Slideshow Quizzes: These online multiple-choice quizzes cover the slideshows presented in class and are accessed from [Blackboard](#). They consist of 5-10 multiple-choice questions and are due the day after the topic is covered in class. You can take each slideshow quiz up to three times until the due date, but the questions will change. Blackboard records your *average* score, so don't retake a quiz unless you are confident that you can improve.

Problem Sets: These are posted on [Blackboard](#) in PDF format. Print them, complete them in pen or pencil (colored pencil welcome!) and submit them as hard-copy. They are due at the next class after the topic is covered in class.

Policy on late work: Early submissions are welcome but *late submissions are not accepted*. If your computer fails, please use a computer in Cowles Library or some other device to complete assignments. Computer problems are *not* an acceptable excuse for late assignments. Students expecting to go on an athletic trip when an assignment is due should submit that assignment before leaving.

Policy on absences: Attendance is taken at every class. Students may miss up to three classes for any reason without penalty (except when exams are given). Thereafter, one point will be deducted from the course SCORE for each absence. Athletic team trips, documented by an official schedule sheet, will not be counted as absences.

Policy on rescheduling exams: If your own medical emergency, or a serious illness or death in your family requires you to miss an exam, you may be given a makeup exam. However, you must inform me of the emergency before the exam by email, and soon afterward submit a written explanation (including date of absence and documentation if possible).

Certain other circumstances are acceptable reasons for rescheduling an exam. These include religious observance, medical appointment, interview trip, and athletic team trip. Because these circumstances can be predicted, you must send me an email request to reschedule, with an explanation, at least one week before the date of the exam. *Unacceptable* reasons include family vacation, ride leaving early for break, early plane flight, overslept, etc.

Policy on grade corrections: Accurate grading is important. If you find an error, please let me know as soon as possible. The deadline for regrading homework, problem sets, or midterm exams is the day of the final exam.

Policy on computers and phones in class: Computers, tablets, and phones must be turned off during class unless I specifically announce otherwise.

Disability accommodation: Any student who has a disability that substantially limits their ability to perform in this course under normal circumstances should contact [Student Disability Services](#), 271-1835, to request accommodation. Any request must be received from Student Disability Services at least one week before the necessary accommodation. All relevant information will be kept strictly confidential. If your accommodation requires extra time for exams, you should contact me at least a week before each exam to schedule an alternative time and place.

How to succeed in this course:

- Attend every class.
- Work assignments sets carefully. They are designed to help you prepare for exams, which count for most of the course grade. If you simply copy other students' answers, you will not be prepared for exams.
- Further prepare for exams by working old exams, posted at wmboal.com/pmicro. Don't look at the answer key until *after* you have worked each problem, or you will become overconfident.
- If you are doing all this but not doing as well as you would like, please ask for help. Talk to me after class, send email to william.boal@drake.edu, or visit my office hours. I am eager to help!

Policy on academic integrity: The CBPA's Academic Integrity Policy (www.drake.edu/cbpa/about/cbpapolicies) applies to this course. The consequences of violating this policy vary, depending on my evaluation of the severity of the dishonesty. A violation (such as cheating, plagiarism, or fabrication) can result in a grade of zero on the test or assignment, an F for the course grade, or even expulsion from the University. Please read the policy and ask for clarification if necessary.

3. Schedule

If bad weather or an epidemic closes campus, most likely we will have class online using Blackboard Collaborate.

Part 1: Competitive Supply and Demand

Big ideas: People and countries can benefit from trade, even if they are capable of producing every product they need. When they trade with money in competitive markets, we can predict the outcome if we know their demand and supply curves.

Famous quote: “That [the principle of comparative advantage] is not trivial is attested by the thousands of important intelligent men who have never been able to grasp the doctrine for themselves or to believe it after it was explained to them.”

--Paul Samuelson, “The Way of an Economist” (1969)

Another famous quote: “We might as reasonably dispute whether it is the upper or the under blade of a pair of scissors that cuts a piece of paper, as whether the [price] is governed by utility [to demanders] or cost of production [to suppliers].” [The price is governed by *both!*]

--Alfred Marshall, *Principles of Economics* (1898)

A. Introduction and math review [Jan 24, Jan 26]

- Read this entire syllabus and highlight important items.
- Read Taylor & Weerapana textbook chapter 2 and do FlatWorld homework on Blackboard by 11:59 PM on Feb 2.
- Bring the following slideshow handouts to class: *Welcome to "Principles of Microeconomics." The economic approach to human behavior. Economics as a science. Math review: basic concepts and skills. Math review: averages and rates of change. Math review: percent changes.*
- If you feel rusty at basic algebra, view the helpful videos at www.khanacademy.org/.
- Do Slideshow Quiz on Blackboard by 11:59 PM Jan 27. (Do the quiz *after* the slideshows are covered in class.)
- Submit Problem Set in class by Jan 31.

B. Production and trade [Jan 31, Feb 2, Feb 7]

- Read textbook by Taylor & Weerapana, chapter 1 and do FlatWorld homework on Blackboard by Jan 30.
- Bring the following slideshow handouts to class: *Production functions. Production possibilities. Comparative advantage. Gains from trade. Institutions that support trade.*
- Do Slideshow Quiz on Blackboard by Feb 8.
- Submit Problem Set in class by Feb 9.

C. Supply and demand [Feb 9, Feb 14]

- Read textbook by Taylor & Weerapana, chapter 3 and do FlatWorld homework on Blackboard by Feb 8.
- Bring the following slideshow handouts to class: *Demand. Supply. Equilibrium. Shifts in demand and supply curves. Willingness-to-pay and consumer surplus. Marginal cost and producer surplus.*
- Do Slideshow Quiz on Blackboard by Feb 15.
- No problem set. Instead, study for exam.

First exam [Feb 16]

- Prepare by reviewing slideshow handouts and recent problem sets, and by working old exams posted online (wmboal.com/pmicro).
- You may use a simple calculator, but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted.
- Exam seating is assigned, so please check the projector screen before you sit down.

Part 2: Applications of Supply and Demand

Big ideas: International trade and government intervention in markets create winners and losers in predictable ways. How much they win or lose depends on the shapes of demand and supply curves.

Famous quote: "Every individual ... neither intends to promote the public interest, nor knows how much he is promoting it ... He intends only his own gain, and he is in this ... led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of it. By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it."

--Adam Smith, *The Wealth of Nations* (1776)

A. Elasticities [Feb 21, Feb 23]

- Read textbook by Taylor & Weerapana, chapter 4 sections 4.2, 4.3, and 4.4 and do FlatWorld homework on Blackboard by Feb 20.
- Bring the following slideshow handouts to class: *Measuring sensitivity. The price elasticity of demand. Calculating elasticities. Other demand elasticities. The price elasticity of supply. Using price elasticities. Using the income elasticity of demand.*
- Do Slideshow Quiz on Blackboard by Feb 24.
- Submit Problem Set in class by Feb 28.

B. International trade and arbitrage [Feb 28, Mar 2]

- No textbook reading and no FlatWorld homework on Blackboard.
- Bring the following slideshow handouts to class: *Effects of international trade. Economic efficiency and welfare analysis. Welfare analysis of international trade. Arbitrage.*
- Do Slideshow Quiz on Blackboard by Mar 3.
- Submit Problem Set in class by Mar 7.

C. Market controls and taxes [Mar 7]

- Read textbook by Taylor & Weerapana, chapter 4 section 4.1, and chapter 7 sections 7.3, 7.4 and 7.5, and do FlatWorld homework on Blackboard by Mar 6.
- Bring the following slideshow handouts to class: *Price controls. Quotas. Welfare analysis of price controls and quotas. Taxes. Subsidies. Welfare analysis of taxes and subsidies.*
- Do Slideshow Quiz on Blackboard by Mar 8.
- No problem set. Instead, study for exam.

Second exam [Mar 9]

- Prepare by reviewing slideshow handouts and recent problem sets, and by working old exams posted online (wmboal.com/pmico).
- You may use a simple calculator, but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted.
- Exam seating is assigned, so please check the projector screen before you sit down.

Part 3: Choices Underlying Supply and Demand

Big ideas: Buyers and sellers must decide whether to participate in markets and how much to buy or sell. Economic theory assumes buyers and sellers make these decisions by doing the best they can with what they have.

Famous quote: “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.”

--Adam Smith, *The Wealth of Nations* (1776)

A. Consumer choices and demand [Mar 21, Mar 23]

- Enjoy Spring Break! [Mar 13-17]
- Read textbook by Taylor & Weerapana, chapter 5 section 5.7 (appendix) only. No FlatWorld homework on Blackboard.
- Bring the following slideshow handouts to class: *Two kinds of demand curves. The consumer's budget constraint. Indifference curves. Consumer choice. Consumer demand. Rational choice.*
- Do Slideshow Quiz on Blackboard by Mar 24.
- Submit Problem Set in class by Mar 28.

B. Business output decisions and supply [Mar 28, Mar 30]

- Read textbook by Taylor & Weerapana, chapters 6 and 8 and do FlatWorld homework on Blackboard by Mar 27.
- Bring the following slideshow handouts to class: *Business firms. Profit maximization. Profit maximization when price is taken as given. The firm's costs in the short run. Profit maximization in the short run.*
- Do Slideshow Quiz on Blackboard by Mar 31.
- Submit Problem Set in class by April 4.

C. Business entry and exit [Apr 4]

- Read textbook by Taylor & Weerapana, chapter 9, and chapter 16 section 16.8 (appendix) only, and do FlatWorld homework on Blackboard by Apr 3.
- Bring the following slideshow handouts to class: *Discounting and the value of the firm. Long-run competitive equilibrium. Horizontal long-run supply curves. Upward-sloping long-run supply curves.*
- Do Slideshow Quiz on Blackboard by Apr 5.
- No problem set. Instead, study for exam.

Third exam [Apr 6]

- Prepare by reviewing slideshow handouts and recent problem sets, and by working old exams posted online (wmboal.com/pmicro).
- Bring a straightedge to this exam—a ruler or an extra pencil.
- You may use a simple calculator, but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted.
- Exam seating is assigned, so please check the projector screen before you sit down.

Part 4: Perfect and Imperfect Competition

Big ideas: Marginal-cost pricing makes competitive markets efficient. But sellers, if they are few in number, try to limit competition and push price above marginal cost. This helps sellers, of course, but hurts society as a whole.

Famous quote: “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.”

--Adam Smith, *The Wealth of Nations* (1776)

A. Virtues of perfect competition [Apr 11, Apr 13]

- Read textbook by Taylor & Weerapana, chapter 7 sections 7.1 and 7.2 only, and do FlatWorld homework on Blackboard by April 10.
- Bring the following slideshow handouts to class: *Perfect competition. Efficiency of perfectly competitive markets. Economy-wide efficiency.*
- Do Slideshow Quiz on Blackboard by Apr 14.
- Submit Problem Set in class by Apr 18.

B. Monopoly [Apr 18, Apr 20]

- Read textbook by Taylor & Weerapana, chapter 10, and do FlatWorld homework on Blackboard by Apr 17.
- Bring the following slideshow handouts to class: *Monopoly and barriers to entry. Monopoly pricing. Welfare analysis of monopoly. Monopoly price discrimination.*
- Do Slideshow Quiz on Blackboard by Apr 21.
- Submit Problem Set in class by Apr 25.

C. Imperfect competition [Apr 25]

- Read textbook by Taylor & Weerapana, chapter 11 sections 11.1 and 11.2 only, and do FlatWorld homework on Blackboard by Apr 24.
- Bring the following slideshow handouts to class: *Cartels and antitrust policy. Oligopoly. Monopolistic competition.*
- Do Slideshow Quiz on Blackboard by Apr 26.
- No problem set. Instead, study for exam.

Fourth exam [Apr 27]

- Prepare by reviewing slideshow handouts and recent problem sets, and by working old exams posted online (wmboal.com/pmicro).
- Bring a straightedge to this exam—a ruler or an extra pencil.
- You may use a simple calculator, but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted.
- Exam seating is assigned, so please check the projector screen before you sit down.

Part 5: Public Goods and Externalities

Big ideas: Markets fail to work efficiently when third parties are affected—pollution is a classic example—or when many people consume the same item simultaneously.

Famous quote: “In general industrialists are interested, not in the social, but only in the private, net product of their operations.”

-- Arthur C. Pigou, *The Economics of Welfare* (1920)

A. Public goods [May 2]

- Read textbook by Taylor & Weerapana, chapter 15 section 15.1 only, and do FlatWorld homework on Blackboard by May 1.
- Bring the following slideshow handouts to class: *Nonrival goods. Nonexcludable goods and common resources. Pure public goods.*
- Do Slideshow Quiz on Blackboard by May 3.
- No problem set. Instead, study for the final exam.

B. Externalities [May 4]

- Read textbook by Taylor & Weerapana, chapter 15 sections 15.2 and 15.3 only, and do FlatWorld homework on Blackboard by May 3.
- Bring the following slideshow handouts to class: *External costs and benefits. Regulating products that cause pollution. Promoting products that provide external benefits. Regulating pollution directly.*
- Do Slideshow Quiz on Blackboard by May 5.
- No problem set. Instead, study for final exam.

Final Exam

All final exams are scheduled by the [Office of the Registrar](#). The final exam for this course will be given in the regular classroom on Friday, May 12, 7:30-9:20 AM. The final exam is comprehensive and includes questions from all parts of the course.

- Prepare by reviewing the exams you have taken already and by working old final exams posted online (wmboal.com/pmicro).
- Bring a straightedge to this exam—a ruler or an extra pencil.
- You may use a simple calculator, but graphing calculators, calculators with alphabetical keyboards, wireless devices and mobile phones are NOT permitted.
- Exam seating is assigned, so please check the projector screen before you sit down.

[end of syllabus]