

**Rutgers University
Economics Department
Microeconomics
Spring 2022**

Professor: Dr. Davood Taree
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Course Information:

Course Num.: Econ 101 – 01
Time: MTH 1:00 – 2:20 PM
Office hours: Mon. 12:15 -1:00 PM

Course Description:

Modern Market Economies rely mainly on activities of consumers, business, and resource suppliers to allocate resources efficiently. Attention is given to the concept of Supply and demand, the nature and operation of market structures, analysis of costs and revenues, and the theory of production, labor relations and the international economics.

Text Book:

Michael Parkin, [Microeconomics Plus MyLab Economics with Pearson eText -- Access Card Package, 13 Edition, 2019](#)

Reading of Wall Street Journal and the Financial Times is recommended. Additional materials beyond the text book may be covered. The EconLab (mylab Economics) is absolutely required and must be purchased with e-text or separately. You must have access to your textbook as well as to the Econlab by the start of the second week of the semester. Homework must be done only through the EconLab

Course requirements:

Final grades will be determined by your performance in the exams, quizzes, homework and class attendance and & active participation., based on the grading system in the syllabus.

First Exam	(Feb 10, 2022)
Second Exam	(Feb 28, 2022)
Third Exam	April 4, 2022
Final Exam	TBA

All exams should be taken on the day and time scheduled.. There will be automatic make –up exam in this course. If the absence on the exam is justified by documents , there will be a makeup exam with no multiple choice questions, instead there are a mixe of essay, graphing and calculations(and are distinctly more difficult questions. All regularly scheduled quizzes and exams will include multiple choice questions.

Addenda

Each student is responsible for any notes, announcements or other class material presented in each class, even those that the student did not attend.

It comes across as irresponsible for student to seek to make the excuse: “Well, I did not know, because I missed that class”

1. Therefore each student must get a class buddy by the second meeting (complete with contact information).

For any class that you missed, it is vital that you obtain the missed material from that buddy, go over said material reach out to the professor for any needed clarification, if needed

2. We operate with the principle of fairness. This means that before you seek a special request from your professor, ask yourself this question: Does this give me an unfair advantage over my classmates? Individual students do not play by their own rules. There is a level playing field for all students.

It is expected that students attend all lectures. Anything covered in class including the materials beyond the text book is eligible for test material.

The cell phones can’t be used instead of calculator during the exams. **Please note that Proctoring software may be used during exams and quizzes , if the class modality is changed.**

Please keep in mind that I reserve the right to make necessary adjustment to this syllabus.

Extra credits: Due to importance of following the current events and in order to help students to get a better grades, each student can choose up to two topics from the list of current events from a the list that will be posted on Canvas, or topic of their choice related to Economics with prior approval by the professor, write one written page report and present it at the beginning of the class_Each topic could add 10 additional points to your total possible points. In case you want to benefit from this option, you must inform the professor , at least by the previous session that you intend a make a presentation. Please keep in mind that we cannot have more than two topics in each class so if you plan to use this option you must do it during the semester, the sooner the better and do not wait till the end since you may not have a chance to do it due to time constraint. The first two students who inform the professor of their intension for presentation on a particular day will be able to present on that day.

Drop Deadline: It is the policy to bar students from dropping courses after the deadline.

Please keep in mind that I reserve the right to make necessary adjustment to this syllabus which students will be informed in due course.

Attendance Policy: All assignments are made on the assumption that you will be present in class each day. I reserve the right to change the schedule if needed with proper notice to the class. Attendance will be taken each day. You are expected to attend class regularly and to arrive in class on time. **Please make sure that you will not schedule any work during the class time.**

Students are expected to attend all classes; if you expect to miss one or two classes, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence.

Academic dishonesty will not be tolerated. You must work on your own during quizzes and exams. All students will need to sign the Rutgers Honor Pledge on every major exam, assignment, or other assessment as follows:

On my honor, I have neither received nor given any unauthorized assistance on this examination (assignment, paper, quiz, etc.).

Assignments must be completed by the specified due date. **No assignment or exams will be accepted after the due dates. Each sets of homework must be done before the respect exam. No extension will be given.**

We will have a universal rule for letter grade for everybody, no special exception to bump up grade for specific reasons

Class Participation, Cellular Phones, and Text messaging & Laptops:

Constructive participation is highly encouraged, destructive participation or disturbing the class is discouraged. Having your cellular phone ring during class is very destructive.

Constructive participation means coming to class on time, being in the class regularly and submitting and presenting assignments on time. Let me know your problems ahead of time.

Destructive participation will result in minus grading or in other words fewer points or zero points from the allocated score for the class participation as shown in the key to the grading system. Destructive participation means "disturbing in a way which obstructs professor teaching, delay in handling the class routine, causing classmates not to be able to focus or take notes gainfully."

Cellular Phones. Cellular phones must be off at all times while class is in session. It must be put away, out of sight, in a backpack & not in your lap. The first time you are sighted **Text Messaging;** you will be given a warning. The second time, 10 points will be taken away from your total points.

Academic Integrity: Cheating and plagiarism are forbidden and will result in a grade of zero on the exam or assignment in question with no option for makeups or extra credit assignments. A second occurrence of cheating or plagiarism will result in a grade of "F" for the semester.

GRADING SYSTEM

Exams	Points	Grade	Key
		A 339	or more
Exam 1	100	A- 324	338
Exam 2	100	B+ 313	323
Exam 3	100	B 303	312
Exam 4	100	B-- 288	302
		C+ 277	287
		C 252	276
		D 216	251
Homework	40		
Class Participation	20	F 215	or less
Total	360		

Recommended readings:

- The Wall Street Journal, /daily
- *The Financial Times* (daily newspaper, available online through the ABI INFORM/PROQUEST database on the college library website);
- *The Economist* (weekly magazine, available online through the ABI INFORM/PROQUEST database on the college library website);
- *Business Week* (weekly magazine, available online through the ABI INFORM/PROQUEST database on the college library website);
- *Harvard Business Review* (monthly magazine, available online through the EBSCO/Business Source Premier database on the college library website).

Tentative Course Outline:

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|-----------------------|-------|
| -What is Economics | Ch1. |
| -The Economic Problem | Ch 2. |
| - Demand and Supply | Ch 3. |

FIRST EXAM

(Covers chapters 1, 2, 3)

- Elasticity Ch.4
- Efficiency and Equity Ch 5.
- Government Action in Markets Ch.6

Second Exam
(Covers chapters 4-6)

- Utility and Demand Ch.8.
- Possibilities, Preferences, and Choices Ch. 9
- Output and Cost Ch.11.
- Perfect Competition Ch.12.

Third EXAM:
(Covers chapters 8-9, and 11-12)

- Monopoly Ch.13.
- Monopolistic Competition Ch.14.
- Oligopoly Ch.15.
- Markets for Factors of Production Ch.18
- Economic Inequality Ch.19

FINAL EXAM (Covers chapters 13-15; 18-19)

More details on each chapter are as follows:

Chapter 1: What is Economics

When you have completed your study of this chapter, you will be able to Define Economics and explain the kind of questions that economists try to answer. Explain the core ideas that the economic way of thinking. In this chapter the following subjects will be discussed:

- Scarcity
- Self-interest vs. Social interest
- Globalization and international Outsourcing
- Global warming
- Rational choice
- Cost and Benefit
- Marginal cost vs. marginal benefit
- Economics as a policy Tools
- Time series graph and cross-section graph
- Slope calculation

Chapter 2: Economic Problem

Chapter 2 reinforces the central themes of Chapter 1 by laying out a core economic model, the production possibilities frontier (*PPF*), and using it to illustrate the concepts of tradeoff and opportunity cost. Chapter 2 also provides a deeper explanation, again with a model, of the concepts of marginal cost and marginal benefit, beginning with the concept of efficiency, and concluding with a review of the source of the gains from specialization and exchange.

When you have completed your study of this chapter, you will be able to use production possibilities Frontier to illustrate the economic problem

Calculate opportunity cost Define efficiency and describe an efficient use of resources

Explain what makes production possibilities expand?

Explain how people gain from specialization and trade.

In this chapter the following subjects will be discussed:

- Production possibilities frontier
- Production efficiency
- Opportunity cost
- Increasing opportunity cost
- Allocative efficiency vs. production efficiency

Specialization and trade Gains from trade

Chapter 3: Demand and Supply

When you have completed your study of this chapter, you will be able to

Distinguish between quantity demanded and demand and explain what determines demand.

Distinguish between quantity supplied and supply and explain what determines supply

Explain how demand and supply determine price and quantity in a market and explain the effect of changes in demand and supply.

In this chapter the following subjects will be discussed:

- The Law of Demand
- Demand Schedule and Demand Curve
- Individual demand and market demand
- Changes in demand (price of related goods, income, expectation, number of buyers, preferences)
- The Law of Supply
- Supply schedule and supply curve
- Individual Supply and market Supply
- Changes in Supply (prices of related goods, prices of resources and other inputs, expectations, number of sellers, productivity)
- Change in quantity supplied versus change in supply
- Market Equilibrium

Chapter 4: Elasticity

When you have completed your study of this chapter, you will be able to

Explain, the factors that influence, and calculate the price elasticity of demand.

Explain the factors that influence, and calculate the price elasticity of supply

Explain the factors that influence, and calculate the cross elasticity of demand and income elasticity of demand.

In this chapter the following subjects will be discussed:

- The price elasticity of demand
- The elasticity formula
- Elastic and · inelastic demand
- interpreting the elasticity of demand
- Total revenue and the price elasticity of demand
- The price elasticity of supply
- Elastic and inelastic supply
- Computing the price elasticity of supply
- Cross elasticity of demand
- Income elasticity of demand

Chapters 5- 7: Government Influences on Markets and Taxes

When you have completed this chapter, you will be able to

Describe the components of government budgets

Evaluate tax policies and tax efficiency

Explain the Personal Income Tax and its Effects.

Define Price ceilings and price floors.

In this chapter the following subjects will be discussed:

- Taxes and Efficiency
- Income Tax and Social Security Tax
- Government budgets and Price Ceilings

Chapter 8: Utility and Demand

When you have completed your study of this chapter, you will be able to

Calculate and graph a budget line that shows the limits to a person's consumption possibilities

Explain marginal utility theory and use it to derive a consumer's demand curve.

Use marginal utility theory to explain the paradox of value: why water is vital but cheap while diamonds are relatively useless but expensive.

Chapter 11: Production and Cost

When you have completed your study of this chapter, you will be able to

Explain how economic measure a firm's cost of production and profit

Explain the relationship between a firm's output and labor employed in the short run.

Explain the relationship between a firm's output and costs in the short run.

Derive and explain a firm's long run average cost curve.

In this chapter the following subjects will be discussed:

- Explicit costs and implicit costs
- Total product and marginal product

- Total cost (fixed and variable costs)
- Long – run costs curve

Chapter 12: Perfect Competition

When you have completed your study of this chapter, you will be able to

Explain a perfectly competitive firm's profit maximizing choice and derive its supply curve

Explain how output, price and profit are determined in the short run.

Explain how output, price and profit are determined in the long run and explain why perfect competition is efficient.

In this chapter the following subjects will be discussed:

The · four market types

- The market conditions
- Profit maximizing Output
- Shut down decisions
- The firm's supply curve

Chapter 13: Monopoly

When you have completed your study of this chapter, you will be able to

Explain how a single – price monopoly determines output and price.

Compare the performance of a monopoly with a perfect competition.

Explain how price discrimination increases profit

Chapter 14: Monopolistic Competition

When you have completed your study of this chapter, you will be able to

Describe and identify monopolistic competition

Explain how a firm in monopolistic competition determines its output and price in the short run and the long run

Chapter 15: Oligopoly

When you have completed your study of this chapter, you will be able to

Describe and identify oligopoly and explain how it arises.

Explore the range of alternative price and quantity outcomes

Use game theory to explain how price and quantity are determined in oligopoly

Chapter 18: Markets for Factors of Production Markets

When you have completed your study of this chapter, you will be able to

Describe the anatomy of the markets for labor, capital, and land.

Explain how wage rates and employment are determined.

Explain how interest rates, borrowing, and lending are determined.

Explain how rents and natural resource prices are determined.⁷

Chapter 19: Economic Inequality

When you have completed your study of this chapter, you will be able to:

Describe the economic inequality and poverty in the United States.

Explain how economic inequality and poverty arise

Explain why governments redistribute income and describe the effects of redistribution on economic inequality