

**UNIVERSITY OF HAWAII - MĀNOA
DEPARTMENT OF ECONOMICS**

**Economics 130: Principles of Microeconomics
Summer 2012, session I**

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COURSE DESCRIPTION: In the Fall 2011 semester, several students at Harvard University staged a walk out of EC10, taught by N. Gregory Mankiw, mimicking the Occupy Wall Street movement. In a letter to Professor Mankiw, the students were concerned with the disconnect between the class and the real world. While I think this decision was foolish on the students' part, I do believe more of an effort can be made to associate these very abstract principles with what is happening in the news. Thus, the course will emphasize the foundation of microeconomics and strive to maintain some relevancy to what is happening outside the textbook and lectures.

COURSE OBJECTIVE: To be able to analyze and understand (micro)economic situations and come up with sound conclusions.

RESOURCES: The Krugman and Wells text is optional, but highly recommended. I believe that your money can be better spent if you (1) are intelligent enough to absorb all the material through my lectures; (2) are too busy/lazy to actually read the textbook; or (3) can purchase a used textbook by a different author whose writing style can help you learn the material better. Krugman and Wells is recommended because I base my lectures off this textbook. I will post lecture notes to complement my lectures, as well as the slides to my lectures.

GRADING: Final grades will be based on homework and accompanying homework review sessions (4x5%=20%), a midterm (30%), and a final (50%). I will be using a +/- grading system. Class participation (outside of review sessions) is not mandatory but is highly encouraged. If your grade is on the cusp, I will take your participation into account. PLEASE NOTE: This course will be slightly different than other classes in its grading mechanism. You begin with a 0 in this class. You must demonstrate to me that you have learned the material; in other words, you *earn* your grade, I don't *give* you a grade.

STUDENTS WITH DISABILITIES: The KŌKUA Program provides academic access services to students with documented physical and/or mental disabilities. Email: kokua@hawaii.edu. Website: www.hawaii.edu/kokua

ACADEMIC HONESTY: Don't cheat.

MISSED/LATE WORK: Don't miss work and don't turn in stuff late.

COURSE SCHEDULE AND STRUCTURE: If you read the textbook/lecture notes in advance, the lecture can go quickly, leaving plenty of time for clarifying questions, class discussion, or even ending class early. I plan on lecturing for around an hour, leaving 15 minutes for “details”. I encourage you to do the reading ahead of time and take a glance at the slides, as the material will be coming quickly in order to fit into a one hour lecture.

Date		Topic	Chapt.	Detail
21-May	M	Intro; What is economics?	1	Individual, Interaction, Economy-wide
22-May	T	Tradeoffs and Trade	2	Opportunity cost, comparative advantage
23-May	W	Supply & Demand	3	Supply & demand, shifters
24-May	R	Supply & Demand	3	Equilibrium
25-May	F	Review + HW		
28-May	M	<i>Memorial Day, no school</i>		
29-May	T	Surplus	4	Consumer/Producer surplus
30-May	W	Elasticity	6	Calculation
31-May	R	Elasticity	6	Interpretation
1-Jun	F	Decision making	9	Marginal
4-Jun	M	Consumer decision	10(11)	Consumption possibilities, marginal return
5-Jun	T	The supply curve	12	MC, ATC, AVC
6-Jun	W	Producer decision – perfect competition	13	Profit, short/long run
7-Jun	R	Review + HW		
8-Jun	F	MIDTERM		
11-Jun	M	<i>Kamehameha Day, no school</i>		
12-Jun	T	Market restrictions	5	Price ceilings/floors
13-Jun	W	Monopoly	14	Monopoly decision
14-Jun	R	Monopoly	14	Welfare, price discrimination
15-Jun	F	Oligopoly	15	Game theory,
18-Jun	M	Monopolistic Competition	16	Product differentiation
19-Jun	T	Review + HW		
20-Jun	W	Taxes	7	Effects, DWL, political economy
21-Jun	R	International trade	8	Welfare, political economy
22-Jun	F	Externalities	17	Definition, examples, effects
25-Jun	M	Externalities	17	Effects, solutions
26-Jun	T	Public goods, common resources	18	Public goods, common resources
27-Jun	W	Other failures	21	Uncertainty, risk, asymmetric information
28-Jun	R	Review + HW		
29-Jun	F	FINAL (in class)		