This course is an introduction to the field of microeconomics, and is intended for all possible economics majors, minors, and for all other students who plan to take Econ 20 (Introduction to Macroeconomics) later in their academic career. This is the first economics course that economics students should take at Brandeis, and anyone contemplating a major or minor should start with this course. It will give you an idea of the range of behaviors that economists investigate, introduce you to the basic tools that we use to analyze economic behavior, and apply these tools to public policy issues. Perhaps most important, this course will introduce you to the “economic way of thinking,” an approach to decision making that applies to personal decisions, to the decisions of businesses, labor unions and other organizations, and to the larger choices that society faces.

This course satisfies the School of Social Science distribution requirement and the Quantitative Reasoning component of the General University Requirements. It is also the first course for any student considering a concentration or minor in Economics.

**Goals of the Course**

This course has two “broad” goals. First, it is hoped that everyone will come out of this course a more educated citizen, being able to use basic economic principles to critically evaluate the arguments for and against public policy proposals (various tax proposals, immigration reform). Second, this course should give students the theoretical tools necessary for success in subsequent economics courses.

There are also a number of smaller, more specific goals. What follows is a (partial) list.

1) Every student in this course should master the logic behind the demand/supply model of how a competitive market behaves, to the point where the student can predict the effect of various exogenous economic events on the market’s equilibrium.

2) Every student should be able to articulate the situations in which a competitive market reaches an efficient outcome, and the situations in which it fails to reach an efficient outcome.

3) Every student should be able to compare the outcome of a competitive market with the outcome of a market in which there is only one producer (a monopoly).

4) Every student should understand the factors of production and the basic working of the labor market.

5) Every student should understand budget constraints and optimal choice.

6) Every student should be able to calculate present value with an understanding of compound interest and discounting.
Class Meetings

In addition to the lectures on Monday, Wednesday and Thursday there will be at least one opportunity each week for homework help. Hours and TA are currently TBD.

Exams

Two midterm exams will be administered in class. The dates of these two midterms are TBD. There will also be a final exam during finals week at a time and place determined by the Registrar.

Problem Sets

There will be 8 problem sets for this class – 2x/week. More details about these problem sets are given below.

Text

The text for this course is *Principles of Microeconomics* (7th edition) by N. Gregory Mankiw.

Grading Policy

Your grade is based on 3 exams and on the problem sets. There will be 8 hard-copy problem sets. You may omit turning in one problem set, or I will drop the lowest grade. Thus, to get full credit for the problem sets, you will have to turn in 7 of the 8 required problem sets. The problem sets will make up 20% of your grade.

Whichever midterm you score higher on will count for 30% of your grade. The other midterm will count for 20% of your grade. The final exam will count for 30% of your grade. The remaining 20% of your grade will be based on the problem sets (as described above).

Information Dissemination

In Economics 10 we will maintain a course website through the University’s Latte system. You will be responsible for checking the website frequently as most of the problem sets, answer keys, etc. will be posted there and available for you to download. The website can be accessed from webct.brandeis.edu. Most documents from the course website will be found as PDF files. To read such files you will need to have Adobe Acrobat Reader installed on your computer. All computers in the computer labs on campus come equipped with the Reader.

Doing Your Best

Here are some suggestions that may help you to do well in Economics 10:

- Do the assigned reading before class to get a preview of the material to be covered and to prepare any questions you have about this material.
- Take the problem sets seriously, because they are the best indication of whether you
understand the material and they are the best preparation for the exams.

• Keep up with the work.

Special Accommodations

If you are a student with a documented disability at Brandeis University and if you wish to request a reasonable accommodation for this class, please see me right away. Please keep in mind that reasonable accommodations are not provided retroactively.

Academic Honesty

You are expected to be honest in your academic work. The University policy on academic honesty is distributed annually as section 4 of the Rights and Responsibilities handbook. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask. Academic Dishonesty will not be tolerated and will be rigorously prosecuted.

Course Outline

Introduction to the Course Chapters 1,2
The Gains from Trade Chapter 3
Supply & Demand Chapter 4
Market Equilibrium Chapter 4
Elasticity of Demand & Supply Chapter 5
Elasticity and Price Controls Chapters 5, 6
Consumer & Producer Surplus Chapter 7
Market Efficiency Chapter 7
Effects of Sales Taxes, Deadweight Loss Chapters 6,8
International Trade & Tariffs Chapter 9
Externalities Chapter 10
Policy Responses to Externalities Chapter 10
Public Goods & Common Resources Chapter 11
The Tax System Chapter 12
The Costs of Production I Chapter 13
The Costs of Production II Chapter 13
A Competitive Firm’s Supply Curve Chapter 14
Competitive Industry Supply Chapter 14
Monopoly I Chapter 15
Monopoly II Chapter 15
Monopolistic Competition Chapter 16
Advertising Chapter 16
Oligopoly Chapter 17
Introduction to Game Theory Chapter 17
Demand for & Supply of Labor Chapter 18
Labor Market Equilibrium Chapter 18
Earnings and Discrimination Chapter 19
Income Inequality Chapter 20
Poverty Chapter 20
Indifference Curves & Budget Constraints Chapter 21
Utility Maximization/Income and Price Changes Chapter 21
Substitution & Income Effects Chapter 21
The Labor Supply Curve Chapter 21
Compounding & Present Value Lecture Notes
Applications of Present Value Chapter 21
The Consumption-Saving Choice Chapter 21
Economics of Information & Uncertainty Chapter 22
Introduction to Behavioral Economics Chapter 22