

ECONOMICS 103 (Principles of Microeconomics)

Fall

2018

Donald J. Boudreaux

T, 7:20

- 10:00pm

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OFFICE HOURS: M, W: 1:30pm-4:30pm; T: 2:30pm-6:00pm; and by appointment. I'm often in my office for much of the workweek beyond the times listed here (although I am often at my Arlington campus office on Thursdays and Fridays). I'm always happy to meet with you during non-office hours if my schedule permits. Please feel free to drop by at any time. If you drop by during non-office hours and if I'm then involved in other tasks, I'll ask you to come back later. But if I have nothing pressing going on at the moment, I'll be delighted to discuss the class and economics with you.

TEXTBOOK: Tyler Cowen and Alex Tabarrok, *Modern Principles: Microeconomics* (3rd edition) Tyler Cowen and Alex Tabarrok, edition). (You may use an earlier edition of the text, but some of the chapters of these earlier editions do not align with the chapters of the 3rd edition. If you use an earlier edition, it is your responsibility to determine how to translate the reading assignments, given below, into the correct chapters for whatever earlier edition of the text that you use.)

PURPOSE OF COURSE: With this course I introduce you to the economic way of thinking so that you are better able to understand your world. As this course begins, you likely don't know what economics is. I believe that you'll be surprised – and pleasantly so – to learn that it is exciting, intellectually rich, and essential. My goal is to help you to improve your ability to comprehend reality – for example, by learning of how prices are determined and what roles they play; by exploring more deeply the motivations and constraints that shape human choices; by learning to be always on the look-out for unintended consequences – in general, by learning always to ask “As compared to what?” and to think critically *in a productive way* about society, the market, and government.

Specifically, we will cover:

- The fundamental assumptions of economic science
- Standards of living today vs. standards of living in the past
- Specialization and economic growth (“production possibilities”)
- A Quick Word about Money
- Consumer behavior (demand)
- Production theory (supply)
- The theory of price (supply and demand, including the “law” of one price)
- Price controls (with applications, including minimum wages)
- International trade

- Public goods and market failure
- Public Choice (the economics of politics)
- Taxation (looking at the incidence of taxes and at some issues regarding tax revenues)

EXAMS DATES:

First mid-term exam: Tuesday, October 2nd

Second mid-term exam: Tuesday, November 13th

Final exam: Tuesday, December 18th, starting sharply at 7:30pm

EXAM WEIGHTS AND DETERMINATION OF COURSE GRADE: Your final grade for the course will be determined exclusively by your performance on the examinations. Each of the two mid-term exams is worth 30% of your final course grade. The final exam is worth 40%. Because of the large size of this class, it is impractical to factor class participation into your final grade.

EXAM CONTENT: I test you only upon what I lecture on in class. If I do not cover material in the class, I will not test you on it. At the same time, anything that I cover in lectures is subject to being on the exams – whether or not the material covered in lectures is included in the reading assignments. Also note: if there is a discrepancy between what I say in my lectures and what you read in the textbook or in any other reading assignment, please regard what I say as correct. (I encourage you, of course, to point out to me any such discrepancy that you might discover.) I doubt that we will encounter any such discrepancies, but if they do arise, again, what I say – rather than what any of the reading assignments say – will be considered correct for purposes of the exams.

All exams are administered on *rectangular green or blue* scantron sheets, which can be purchased for a nominal price at the GMU bookstore. For each exam, all you need and are permitted are (1) a scantron sheet, and (2) one or two #2 pencils.

MAKE-UP EXAMS: Save in very rare circumstances, there are **NO make-up exams**. You are responsible for taking each examination ***as scheduled***. If you miss one of the two mid-term exams, the final exam will count for 70% of your course grade (with the other mid-term exam counting for 30%). If you miss both mid-term exams, your course grade will be determined entirely and exclusively by your grade *on the final exam*. *The rare circumstances referred to above include events such as the death of a member of your close family or a serious illness.* If you can convince me that your reason for missing a scheduled examination is sound, and if you can document your reason for missing the exam, I will administer a make-up exam. The make-up exam will not be the exam given to the class at large.

FINAL EXAM: *The final exam is comprehensive.* Any material covered in class from day one is potential material for the final exam. The final exam will be given only according to the University's schedule for final examinations (our class: December 18th).

There are *no* exemptions from the final exam, nor will you be allowed to take the exam at any time or day other than the time assigned by the University. And once again: the final exam counts for a minimum of 40% of your course grade, depending if you missed any mid-term exams.

GRADING SCALE: I use a ten-point scale. 99-100, A+; 92-97, A; 90-91, A-; 88-89, B+; 82-87, B; 80-81, B-; 78-79, C+; 72-77, C; 70-71, C-; 60-69, D. Below 60 is an F. These numbers are firm. If the weighted average of your three exam grades is 89, you will have earned a B+ for the course – not an A-. *Please do not ask me to raise your grade.* I ***never – NEVER!*** grant such requests. I am not in the business of giving grades: I merely *report* the grade that *you* earn. (Yes, I do round. For example, if your final weighted-average grade is 69.5, you've earned a C- for the course, but if your final weighted-average grade is 69.49, you've earned a D, and that's the grade that I will report.)

Again, I emphasize, never ask me to change your grade. Under ***no*** circumstances will I do so. I will report the grade that you earn.

CHALLENGING EXAM GRADING: If I committed an arithmetical error in calculating your exam grade, please notify me as soon as you discover the error. I will correct the mistake immediately. Otherwise, any objections you have to the way I grade your exams must be expressed to me in writing. Submit to me a typed paragraph or two explaining why you believe that your answer deserves more credit than I gave it.

ASSIGNMENTS: The only assignments for this course are reading assignments. The 3rd edition of the Cowen & Tabarrok textbook (see above) is the principal source of reading assignments. However, I will, from time to time, assign outside readings, which will be sent to you by e-mail - so do be sure that you check your GMU e-mail account regularly.

From the Cowen & Tabarrok text, you are responsible for reading Chapters 1 through 9, Chapter 14, Chapter 17, and Chapter 19. Begin to read these chapters now, pacing your reading so that you complete your reading of these 12 chapters by our last day of class, December 11th.

CLASS ATTENDANCE: I do not take roll. You're an adult. I *strongly* urge you to attend each and every class, from beginning to end. If you miss a class, however, I recommend that you get class notes from a reliable friend who did attend the class or classes that you missed. While I am always willing – indeed, happy – outside of class to elaborate on any materials covered during the lectures, please do not expect me to repeat, or even to summarize, any lectures that you missed.

Also, please feel free to audio tape my lectures. I recommend that if you know that you'll miss a class that you, in addition to getting class notes from a reliable classmate, that you also arrange for a classmate to audio tape the class you miss.

COMMUNICATION: Again, please ensure that your GMU e-mail address is activated and that you check it regularly, for that is the main channel through which I will communicate with you outside of class and office visits. *I do not use Blackboard.* Your final grades will be posted on Patriot Web.

SPECIAL ACCOMMODATIONS: Students requiring special accommodations – because of documented disabilities – should see me as soon as possible to arrange these accommodations.