

ECON 130(1) Principles of Economics

Fall 2004

Instructor: Chung Lee (lchung@hawaii.edu)

Day/Time: MWF 10:30-11:20 a.m.

Teaching Assistant: Lubomir Toh (lubkot@yahoo.com)

Course Content: What is a market economy? How does it work? What are the strengths and weaknesses of the market system and what can be done to improve its operation? These are some of the questions that will be addressed in this course.

Textbook: N. Gregory Mankiw, Principles of Microeconomics, 3rd edition and Study Guide, Harcourt, 2004.

Course Requirements: Class attendance, 2 midterm exams (40%), 2 “surprise” quizzes (10%), and the final exam (50%)

Reading Assignments:

Week 1 & 2: Introduction (Chapters 1, 2 and 3)

Topics: Ten principles of economics, Economic logic, Comparative Advantage and the Division of labor

Week 3, 4 & 5: How does the markets work (Chapters 4, 5 and 6)

Topics: Market competition, Demand and Supply, Measure of response—elasticity

[First mid-term exam on Friday, October 1]

Week 6 & 7: Markets and Welfare (Chapters 7, 8 and 9)

Topics: Efficiency of markets, Consumer and producer surplus, Costs of taxation, Winners and losers from international trade

Week 8, 9 & 10: Economics of the Public Sector (Chapters 10, 11 and 12)

Topics: Externalities and market inefficiency, the Coase theorem, Public goods and common resources, Design of tax system

Week 11 & 12: Firms and Industry (Chapters 13, 14, & 15)

Topics: Costs of production, Competitive markets, Monopoly

[Second mid-term exam on Friday, November 12]

Week 13: Firms and Industry (Chapters 16 and 17)

Topics: Oligopoly, Monopolistic competition

Week 14 & 15: Labor Markets (Chapters 18, 19, and 20)

Topics: Demand for and supply of labor, earnings and discrimination, income distribution and poverty

Week 16: Review

The final exam will be comprehensive and is scheduled on **Friday, December 17, 2004 (9:45 - 11:45 a.m.)**

The instructor’s office is in Room 518, Saunders Hall, and the office hours are from 2:45 to 4:00 p.m. on Monday and Wednesday and from 9:30 – 10:30 a.m. on Friday. The office phone number is 956-8639. The TA’s office is in Room 539, Saunders Hall. (His office hours to be announced)

Note: If you feel that you need reasonable accommodations because of the impact of a disability, please contact the KOKUA program at 956-7511 or speak with me privately to discuss your specific needs.