Course Description:
Economics is the study of the use of scarce resources to satisfy human wants. In microeconomics, we study how these scarce resources are allocated within the market system. Topics include: division of labor, comparative advantage, supply and demand analysis, price ceilings/floors, taxes, monopoly, price discrimination, cartels, wages, pollution and failures of the market system. Mathematical skills beyond simple algebra and graphical analysis are not required in this course. This course meets the diversification requirement (DS) of Gen Ed requirements for social sciences.

Student Learning Objectives:
The main objective of this course is to give students a broad understanding of the choices people make in using scarce resources to meet their wants. On completion of the course students should be able to:

• Explain basic microeconomic terms, concepts and theories
• Apply economic reasoning to real-world situations
• Communicate economic reasoning to others in writing

Recommended Textbooks:
Introduction to Microeconomics by Edwin G. Dolan. 5th edition [4th or 3rd edition is fine – the 4th edition is actually better than the 5th edition, in my opinion]. The book is available from the UH Bookstore. You can get the hard cover, paperback, or ebook version, whatever works best for you.

Other Texts that are not required but might interest you:
The Cartoon Introduction to Economics by Klein and Bauman.
Murder at the Margin by Marshall Jevons. This is an extremely cheesy book about an Econ professor on a Caribbean island who solves a murder mystery using the tools of economics!

Online Resources
Lecture notes, practice problems and grades will be posted on Laulima (https://laulima.hawaii.edu/).
Syllabus

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Quizzes
- There will be five 40-minute quizzes during the semester. The quizzes will consist of 20 multiple-choice questions. These will occur roughly every three weeks, depending on holidays. The tentative dates for the quizzes are:
  - Friday September 13th
  - Friday October 4th
  - Friday October 25th
  - Wednesday November 6th
  - Friday November 22nd
- Your lowest quiz score will be dropped when calculating your average quiz score.

Examinations and Grades
1. There will be NO mid-terms, just a final exam, to be held on Monday December 16th at 9:45am. The final will consist of thirty multiple-choice questions (which should take about an hour) and two essay questions (which should take about thirty minutes). The essay questions will be based on topics I cover in my lectures. Possible essay questions are attached. The quizzes are not cumulative, the final is. **It is very hard to pass this class if you do not perform well on the essay portion.** There will be a choice of two out of four possible essay questions chosen from a list of twenty questions (see the next page).
2. The overall course grade will be computed from:
   \[
   \text{Grade} = 60\% \text{ Average Quiz Score} + 40\% \text{Final}
   \]
4. Cheating, of any sort, will not be tolerated. Any student caught cheating on any exam will be given an F for the entire course grade and will be reported to the University for any other disciplinary action, including the possibility of getting suspended or expelled from the University.
5. There will be no make-ups for the quizzes, or the final. There are only two exceptions to this rule: a note from a doctor confirming an illness or a note from the university confirming an absence for university-related business. If you email me after an exam to say that you were sick but cannot provide written verification, I will not arrange a make-up. The reason I allow you to drop one quiz score is to give students some flexibility if they cannot make one of the quizzes.

6. Any student who feels s/he may need an accommodation based on the impact of a disability is invited to contact me privately. I would be happy to work with you, and the KOKUA Program (Office for Students with Disabilities) to ensure reasonable accommodations in my course. KOKUA can be reached at (808) 956-7511 or (808) 956-7612 (voice/text) in room 013 of the Queen Lili‘uokalani Center for Student Services. I know from personal experience how useful the services KOKUA provides can be, so please don’t be shy about contacting me.

7. There are no extra credit options.

Office Hours
My office hours are on Mondays from 1pm-2pm, Wednesdays from 8am-9am and 1pm-2pm, and Fridays from 8am-9am in Saunders Hall 532. If you can’t make any of these times, email me and we can set up an appointment.

Teaching Assistant
The TA for this class is Jonathan Sweeney (jrsweene@hawaii.edu). His office hours will be from 11am-12pm on Tuesdays and Thursdays.

Econ 130 Essay Questions

GROUP 1
Essay Question #1 will be chosen from the following:
1. "Money is the root of all evil". Despite this obvious drawback, there are some benefits to a money-based economy. Explain them.
2. Write an essay on the determinants of demand.
3. Why do many economists believe that textbooks are overpriced?
4. Write an essay on the determinants of supply.
5. Why is it wrong to criticize a theory by criticizing the assumptions on which it is based? What criterion would you use to evaluate a theory?
6. Explain what happened when a price ceiling was imposed on gasoline during the 1973-74 “Energy Crisis”.
7. What are the determinants of the own-price elasticity of demand? Explain.

GROUP 2
Essay Question #2 will be chosen from the following:
1. What caused the infamous Butter Mountain and Wine Lake in the European Union?
2. Examine what would be the likely effect of placing a tax on a luxury good? If you were in charge of raising tax revenue for the state of Hawaii, what types of goods would you tax and why?
3. What dictates the burden of an excise tax?
4. There are many arguments for and against the legalization of recreational drugs like alcohol and marijuana. What are the economic arguments in favor of legalizing recreational drug use?

5. Assume that the United States is better, in an absolute sense, at producing everything than Mexico produces things. Explain, nonetheless, why the US still imports goods from Mexico.

6. Explain what the short-run supply curve of a perfectly competitive firm corresponds to.

7. Why do firms continue to operate when they are making losses?

GROUP 3
Essay Question #3 will be chosen from the following:
1. Why are economists so enamored of the long run equilibrium outcome under perfect competition?
2. Why do airlines charge students less for flights than their professors?
3. What are the necessary conditions for producers to price discriminate? Explain.
4. Why would you regulate a natural monopoly and how would you do it?
5. Compare and contrast equilibrium under monopoly with long run equilibrium under monopolistic competition.
6. Write an essay on "market failure".
7. What are the economic reasons for why chickens are never going to become extinct whereas whales and polar bears may well become extinct?

GROUP 4
Essay Question #4 will be chosen from the following:
1. Write an essay about the minimum wage.
2. Explain the methods labor unions use to raise the relative wage of their members.
3. Why are some labor unions strong and others weak?
4. Why is Colt Brennan “exploited” in the labor market but John Lynham is not?
5. Explain how you would tax pollution in order to obtain the optimal level of pollution.
6. Over-fishing is often described as a “Tragedy of the Commons”. What does this mean and what are some potential solutions?
7. In a monopsony labor market, a union can raise both the wage of its members and the number employed. Explain how this is possible.