Course Description: This course studies the behavior of economic agents such as consumers, producers, workers, businesses, what motivates and guide their economic decisions to buy, sell, and work in order to better their lives. Producers, workers, consumers, businesses meet on the market place to trade and settle their transactions. Market participants and collections of market participants have different strength depending on the market structure. Accordingly, we will study the various levels of market power. We will see also the role of government and its appropriate role and intervention in the market economy. Exposition, class discussion, and homework will rely heavily on algebraic and graphical analysis.

Learning Objective:

(1) Understand and apply the basic principles of microeconomics presented in class and through problem solving exercise that mimic real life.

(2) Be able to assess the trade-offs involved in the allocation of scarce resource, at the consumer level, at the producer level, for you, for a family, for a team, a city, a country, and the world.

(3) Apply the economic way of thinking to a wide range of contemporary social issues.

Prerequisite: Econ 130 (Principles of Microeconomics) or permission of the instructor. Comfort with pre-calculus level of college algebra.

**Course Outline:** The course will follow the textbook and address four major topic areas:

I. Introduction: Market and Prices
   Chap 1: Preliminaries
   Chap 2.1-2.7: Supply and Demand

II. Producers, Consumers, and Competitive Markets
   Chap 3.1-3.5: Consumer Behavior
   Chap 4.1-4.5: Individual/Market Demand
   Chap 6.1-6.4: Production
   Chap 7.1-7.4: Cost of Production
   Chap 8.1-8.8: Profit Maximization
   Chap 9.1-9.6: Competitive Markets

iii. Market Structures and Competitive Strategy
   Chap 10.1-10.7: Monopoly/Monopsony
   Chap 11.1-11.3: Market Power
   Chap 12.1-12.6: Monopolistic Competition/Oligopoly
   Chap 14.1-14.4: Market for Factors
   Chap 15.1-15.4: Investment

IV. Information, Market Failure and the Role of Government
   Chap 18.1-18.6: Externalities/Public Goods
   Chap 16.1-16.6: General Equilibrium (time permitting)

**Grading:** Final Exam 40%
   Midterm Exam I: 20%
   Midterm Exam II: 20%
   Homework: 10%
   Participation: 10%

There are NO MAKEUP EXAMS except under extraordinary circumstances. Homework (including assigned on MyEconLab) is intended to prepare you for the midterm and final examinations. Midterm and finals are strongly affected by homework and class participation, discussion and selected readings. Cheating and plagiarism shall result in an automatic F grade.