University of Hawaii at Manoa  
Department of Economics  

Economics 130 (003)  
Principles of Microeconomics  
8:30-9:20 AM MWF, BUSAD A102  
Fall 2014  
August 25 - December 19, 2014  

Instructor: Archi Gatchalian  
archiesg@hawaii.edu  
Ph. (808) 956-8986 (Don't leave messages!)  

Office Hours: 9:30-10:30 AM, MW, or by appointment  
Saunders 537  

Teaching Assistant: Lining Han  
hanl@hawaii.edu  
Ph. (808) 956-8496  

Office Hours: 1:30-2:30 PM, MW, or by appointment  
Saunders 524  

Course Description: This course introduces you to microeconomic analysis. The course will examine how households/consumers/individuals, firms, and the government make decisions individually as well as their interactions. It is designed to provide the students with tools to understand various microeconomic topics, such as: how markets work (i.e. determination of prices, elasticity, efficiency of markets); consumer-maximizing behavior; firm-maximizing behavior and the different types of markets; and what the government can do in the presence of market imperfections. Applications of microeconomic theory to real-world situations, such as taxation and international trade, are also explored.  

Course Objectives: At the end of this course, the student must be: 1) familiar with general economic and microeconomic terminology, concepts, and theories; 2) adept with the use of graphs and equations in analyzing general economic and microeconomic problems; and 3) able to exercise logical economic reasoning by using microeconomic concepts and theories to analyze real-world situations and events.  

Resources:  


2) Required on-line component for homework: Aplia (www.aplia.com) – see below for registration and payment information.
**Resource Purchasing Options**

a) Purchase a new textbook at the UH bookstore. At the UH bookstore, new texts may **not be** bundled with *Aplia*. Check with the UH bookstore.
   - If you choose this option, you must also purchase an *Aplia* student access code for $65 that comes with digital access of the textbook up until the end of this course (see registration instructions below).
   - Cost of option (a): price of your textbook + $65.

b) Purchase a new loose leaf (unbound) version of the textbook from the following publisher website: [http://www.cengagebrain.com/micro/econ130.003](http://www.cengagebrain.com/micro/econ130.003). At this website, new texts are bundled with *Aplia*. Please note that shipping of the physical textbook will take a few days.
   - If you choose this option, you do not need to purchase anything else (purchase of the physical textbook through *Aplia* also comes with digital access of the textbook up until the end of this course; see registration instructions below).
   - Cost of option (b): $92.75 for physical textbook bundled with *Aplia* access + applicable shipping fee.

c) Purchase a used textbook.
   - If you choose this option, you must also purchase an *Aplia* student access code for $65 that comes with digital access of the textbook up until the end of this course (see registration instructions below).
   - Cost of option (c): price of your used textbook + $65

d) Purchase access to a digital copy of the textbook via *Aplia* for $65 via the following website: [http://www.cengagebrain.com/micro/econ130.003](http://www.cengagebrain.com/micro/econ130.003). Although it is cheaper than purchasing a hard copy of the text, you will only have access to the electronic version until the end of our course. However, you can print the digital textbook through your *Aplia* account.
   - If you choose this option, you do not need to purchase anything else.
   - Cost of option (d): $65

**Aplia Registration**

Instructor: Archi Gatchalian
Start Date: 08/25/2014
Course Key: T275-MF68-AQ22

**Registration**

Aplia is part of CengageBrain, which allows you to sign in to a single site to access your Cengage materials and courses.

2. **If you already have an account, sign in.** From your Dashboard, enter your course key (T275-MF68-AQ22) in the box provided, and click the *Register* button.
If you don't have an account, click the Create a New Account button, and enter your course key when prompted: T275-MF68-AQ22. Continue to follow the on-screen instructions.

Payment

Online: After registering, you can buy access to Aplia from http://www.cengagebrain.com/micro/econ130.003.

Bookstore: Purchase access to Aplia from your bookstore. Check with the bookstore to find out what they offer for your course.

If you choose to pay later, you can use Aplia without paying until 11:59 PM on 09/22/2014.

For more information on registering for Aplia, please visit http://www.cengagebrain.com/aplia/.

Grading System

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>First and Second Midterm Exams (20% each)</td>
<td>40%</td>
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<tr>
<td>Cumulative Final Exam</td>
<td>25%</td>
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<tr>
<td>Announced/Unannounced In-Class Quizzes</td>
<td>20%</td>
</tr>
<tr>
<td>Online Homework</td>
<td>15%</td>
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</tbody>
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*I will use +/- grade notation in this class but I will not assign C-, D+, and D- grades. Hence, only A+, A, A-, B+, B, B-, C+, C, D, and F grades will be awarded.

Classroom Behavior

Please avoid the following:

1. consistent tardiness;
2. sleeping;
3. eating of crunchy and smelly food (eating is allowed in class unless specified by the rules of classroom use);
4. usage of mobile phones, iPods, and any hand-held electronic devices; and
5. talking aloud.
Requirements and Grading Policy

**Midterm and Final Exams.** There will be 3 exams in this class, including a cumulative final exam. The two midterm exams (20% each) and the final exam (25%) will comprise 65% of the final grade. Most questions will be in true-or-false and multiple choice formats. However, essay and problem solving questions may also be given out. The exams are designed to test your analytical skills on the topics discussed in class rather than your ability to memorize concepts, ideas, and terms. Thus, logical and economic reasoning are essential tools you will need in hurdling the exams.

It is required that you bring the following for the midterm and final exams: an identification card (i.e. UH ID, State ID, Driver’s license), No. 2 pencil/s, and a calculator. No borrowing of calculators will be allowed and mobile phones cannot be used as substitute for a calculator. NO MAKEUP EXAMS will be given out to substitute for missed ones for whatever reason so plan accordingly.

**Announced/Unannounced Quizzes.** There will be 5-8 announced/unannounced quizzes during the course of the semester. These can be distributed at any time during the class. This strategy is targeted to reward students who come to class to listen to my lectures and serve as immediate evaluation on the general level of understanding of topics/concepts discussed in class. True or false and multiple choice questions will be common in these short quizzes. These announced/unannounced quizzes are designed to prepare you for the midterm and final exams and will comprise 20% of the final grade. NO MAKEUP QUIZZES will be given out to substitute for missed ones for whatever reason. However, nondiscriminatory announced/unannounced extra credit quizzes will be given out in class.

**Online Homework.** Finally, online homework problem sets will be assigned toward the end of the discussion of each chapter covered. The online homework is due on the date indicated on the Aplia course website. It is your responsibility to check the Aplia website to know whether there is/are online homework due for the week. However, I will also try to conscientiously announce assigned online homework when they are posted. Online homework due for the week will be posted every Monday 4:00 PM Hawai‘i Standard Time (HST) and must be submitted electronically before Friday 4:00 PM HST of the same week. You may begin the homework at any time after it becomes available. Online Homework will comprise 15% of the final grade.

To familiarize you on how to use Aplia, the first homework shows you how to use online problem sets in Aplia. It also includes a description of practice, graded at deadline, and Grade It Now problems. NO MAKEUP ONLINE HOMEWORK will be given out to substitute for missed ones for whatever reason. However, nondiscriminatory bonus online homework will be assigned and will be announced in class or via the Aplia “Announcements” board as they become available.
Academic Integrity

Any form of cheating and plagiarism will not be tolerated. Failure to comply with University of Hawaii guidelines of academic integrity may result in a failing grade in the course and further action taken by the university. Please review carefully the following page on student conduct code. Do not attempt to test this guideline. http://studentaffairs.manoa.hawaii.edu/policies/conduct_code/table_of_contents.php.

Students with Disabilities

If you feel you need reasonable accommodations because of the impact of a disability, please (1) contact the KOKUA Program at 956-7511 or 956-7612 in room 013 of the QLCSS, and (2) speak with me privately to discuss your specific needs. I will be happy to work with you and the KOKUA Program to meet your access needs related to your documented disability.

Course Communication

All course communication will be done via Aplia. Lecture slides, homework answer keys, and announcements will all be posted on the course website. Please check for announcements regularly in the “Announcements” section. In the event of a pressing announcement, an email will be sent to the email address you registered on the Aplia website (however your email address will not be displayed).

Help

Please do not hesitate to come to the office hours provided above or to set an appointment for any help that you may need regarding this course. You are advised to see me or your teaching assistant as soon as help is needed.

Important Dates

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<tr>
<th>Event</th>
<th>Date/Time</th>
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<tbody>
<tr>
<td>First Day of Instruction</td>
<td>August 25, Monday</td>
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<tr>
<td>Holiday: Labor Day</td>
<td>September 1, Monday</td>
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<tr>
<td>Review Session for 1st Midterm Exam (in-class)*</td>
<td>October 1, Wednesday</td>
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<tr>
<td>First Midterm Exam (in-class)</td>
<td>October 3, Friday</td>
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<tr>
<td>Review Session for 2nd Midterm Exam (in-class)*</td>
<td>November 12, Wednesday</td>
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<tr>
<td>Second Midterm Exam (in-class)</td>
<td>November 14, Friday</td>
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<td>Non Instructional Day</td>
<td>November 28, Friday</td>
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<tr>
<td>Last Day of Instruction</td>
<td>December 10, Wednesday</td>
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<tr>
<td>Study Period</td>
<td>December 12-13, Friday-Saturday</td>
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<tr>
<td>Final Exam**</td>
<td>December 19, Friday; 7:30-9:30 AM</td>
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*Review sessions for midterm exams may be scheduled outside class hours if more lecture hours are necessary.
**Note: Final Exam schedule is different from class schedule
Course Coverage

**Introduction to Economics**

I. Ten Principles of Economics; Chapter 1
   A. How People Make Decisions
   B. How People Interact
   C. How the Economy as a Whole Works

II. Thinking Like an Economist; Chapter 2
   A. The Economist as Scientist
   B. The Economist as Policy Adviser
   C. Why Economists Disagree
   D. APPENDIX - Graphing: A Brief Review (for self-study)

III. Interdependence and the Gains from Trade; Chapter 3
   A. A Parable for the Modern Economy
   B. Comparative Advantage: The Driving Force of Specialization
   C. Applications of Comparative Advantage

**How Markets Work**

IV. The Market Forces of Supply and Demand; Chapter 4
   A. Markets and Competition
   B. Demand
   C. Supply
   D. Supply and Demand Together

V. Elasticity and Its Application; Chapter 5
   A. The Elasticity of Demand
   B. The Elasticity of Supply
   C. Applications of Supply, Demand, and Elasticity

VI. Supply, Demand, and Government Policies; Chapter 6
   A. Controls on Prices
   B. Taxes

*First Midterm Exam: October 3, Friday
Tentative Coverage: Chapters 1-6*
Markets and Welfare

VII. Consumers, Producers, and the Efficiency of Markets; Chapter 7
   A. Consumer Surplus
   B. Producer Surplus
   C. Market Efficiency

VIII. Application: The Costs of Taxation; Chapter 8
   A. The Deadweight Loss of Taxation
   B. The Determinants of the Deadweight Loss
   C. Deadweight Loss and Tax Revenue as Taxes Vary

IX. Application: International Trade; Chapter 9
   A. The Determinants of Trade
   B. The Winners and Losers from Trade
   C. The Arguments for Restricting Trade

Firm Behavior and the Organization of Industry

X. The Costs of Production; Chapter 13
   A. What Are Costs?
   B. Production and Costs
   C. The Various Measures of Cost
   D. Costs in the Short Run and in the Long Run

XI. Firms in Competitive Markets; Chapter 14
   A. What is a Competitive Market?
   B. Profit Maximization and the Competitive Firm’s Supply Curve
   C. The Supply Curve in a Competitive Market

XII. Monopoly; Chapter 15
   A. Why Monopolies Arise
   B. How Monopolies Make Production and Pricing Decisions
   C. The Welfare Cost of Monopolies
   D. Price Discrimination
   E. Public Policy Toward Monopolies

Second Midterm Exam: November 14, Friday
Tentative Coverage: Chapters 7-9, 13-15
XIII. Monopolistic Competition; Chapter 16
   A. Between Monopoly and Perfect Competition
   B. Competition with Differentiated Products
   C. Advertising and Brand Names

XIV. Oligopoly; Chapter 17
   A. Markets with Only a Few Sellers
   B. The Economics of Cooperation: Oligopolies as a Prisoners’ Dilemma
   C. Public Policy Toward Oligopolies

The Economics of the Public Sector

XV. Externalities; Chapter 10
   A. Externalities and Market Inefficiency
   B. Public Policies Toward Externalities
   C. Private Solutions to Externalities

XVI. Public Goods and Common Resources; Chapter 11
   A. The Different Kinds of Goods
   B. Public Goods
   C. Common Resources

Cumulative Final Exam with emphasis on Chapters 16-17 & 10-11
December 19, Friday: 7:30-9:30 AM