COURSE DESCRIPTION: This course examines how resources are allocated through market and non-market mechanisms. We provide students with economic concepts and models and show how to use them to analyze real-world questions. Topics include: supply and demand analysis; theory of consumer demand; theory of the firm including production and costs, perfect competition, monopoly, monopolistic competition and oligopoly; and public policy analysis of various issues including, but not limited to, excise taxation, externalities and market structure. The analytical skills required for successful completion of this course are high school mathematics.

Our goals for students in this course include, but are not limited to:

- Achieving **basic economic literacy**, i.e., each student is able to clearly explain core microeconomic terms, concepts and theories;
- Fostering **critical thinking** by demonstrating the ability to apply microeconomic reasoning to contemporary social issues and policy problems;
- Applying **quantitative reasoning** using appropriate equations and graphs to illustrate theoretical and policy problems;
- Developing the expertise needed to effectively **communicate your reasoning** to others in writing;
- And providing a critical understanding of **international trade and competition**.

PREREQUISITES: High school mathematics. No calculus required.
TEXTBOOK

Gregory N. Mankiw, *Principles of Microeconomics*, 4th edition, Thomson South-Western, 2004. The textbook is required. A digital version of the textbook may be available from the publisher or from the UH bookstore. Used and new copies are also available from [www.amazon.com](http://www.amazon.com) and other web booksellers. A copy is on reserve at Sinclair Library.

GRADE DETERMINATION

Letter grades are assigned using the University of Hawaii plus/minus grading system.

Grades are determined on the basis of the following components.

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class Attendance</td>
<td>15%</td>
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<tr>
<td>Homework</td>
<td>15%</td>
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<tr>
<td>Mid-term exam #1</td>
<td>20%</td>
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<tr>
<td>Mid-term exam #2</td>
<td>20%</td>
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<tr>
<td>Final exam</td>
<td>30%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
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INFORMATION ABOUT THE THREE EXAMINATIONS

All examinations will consist of multiple choice questions and short essay questions. Examinations are closed-note, closed-book. No caps, dictionaries, hats, cell phones, backpacks, calculators. Come with #2 pencils and official UH picture ID.

The final examination is cumulative, with extra emphasis on topics covered since the second midterm. Midterm examinations are not cumulative but questions may require application of material learned earlier in the course.

Attendance at all examinations is mandatory. No make-up examinations will be offered except for University-sanctioned excuses. If you do miss an examination, be sure to email the instructor and explain why you missed the examination. Students with an unexcused absence will receive zero (0) points and a “F” letter grade on that examination. Students who miss any of the above scheduled examinations are advised to withdraw from the course at their earliest opportunity. If a make-up examination is warranted, its format may differ from the examination administered in class and will be administered at the convenience of the instructor and teaching assistant.

Review Session for Midterm One: Friday, February 10, time and place TBA.
Midterm One: Tuesday, February 14 in class.
Review Session for Midterm Two: Monday, March 17, time and place TBA.
Midterm Two: Thursday, March 20 in class.
Last Day of Instruction for Our Class: Tuesday, May 6.
Review for Final Exam: Friday, May 9, time and place TBA.
Final Exam: May 13, 2008 from 9:45-11:45 am in our usual classroom.
Check out http://mankiw.swlearning.com for materials that can help you study for examinations. Check out the tutorial quizzes, the flash cards, and the key term reviews!!

CLASS ATTENDANCE

Class attendance is required. Students unable to attend ALL course lectures as scheduled should withdraw immediately. Attendance will be measured through a sign-in system. Students unable to attend the entire lecture should not sign-in. Because attendance will count toward course credit, abuse of the sign-in system will be treated as academic dishonesty and will be reported to the UH administration for review. Students can miss FOUR classes without penalty. Attendance will not be taken at the first two classes (January 15 and 17). Each subsequent class missed results in a 1% loss in the maximum 15% of the grade that can be earned from class attendance.

HOMEWORK

Homework is distributed every Friday via http://www2.hawaii.edu/~lacroix. You can work together on the homework but you must write up your answers independently. Homework is due in class at 10:30 am every Thursday. You can hand it in early by putting it in the teaching assistant’s mailbox in Saunders 542 or handing it to the teaching assistant at the start of the Thursday class. (Some assignments must be completed via the internet.) The teaching assistant will review the answers to the problems during class on Thursday from 10:30-11 am.

Having trouble getting started? Drop by the teaching assistant’s office during her office hours and get help getting started!!

COLLEGE OF SOCIAL SCIENCES COMPUTER LABS

Don’t have a computer? (You need it to download and—sometimes—complete homework.) Use the College of Social Sciences computer labs! They are located in:

Saunders Hall 635
Saunders Hall 342

Lab users are required to log in with their UH email address (without the @hawaii.edu) as their username and their UH ID number as their password. See the example below of a student ID card. The numbers in the box are your UH ID number and your password.
Once you're entered into the system, the computer will ask you to change your password.

**IN-CLASS EXERCISES**

We will devote all or part of 3-4 classes to in-class exercises. The exercises are fun. They are not graded. You will learn economics by participating in them!! You must come to class and participate in the exercises to receive the daily attendance credit.

Topics include:

- Trade
- Voluntary provision of public goods
- Externalities
- Diminishing returns
- Prisoner’s dilemma (game theory)

**CLASS LECTURE AND READING SCHEDULE (subject to change)**

We will also distribute on-line short readings

**I. January 15 - February 14, 2008**

Mankiw, Chapters 1-6.
First Midterm, Tuesday, February 14 in class.

**II. February 19 – March 20, 2008**

Mankiw, Chapters 7-12.
Second Midterm, Thursday, March 20 in class.
III. April 1 – May 6, 2008

Mankiw, Chapters 13-19.
Final Exam on May 13, 2008 from 9:45-11:45 am in our usual classroom.

There are classes every Tuesday and Thursday from January 15 through May 6, 2008 except during spring break, March 21-30, 2008.

ENJOY THE COURSE!! OUR GOALS ARE TO LEARN ECONOMICS; TO APPLY IT TO REAL-WORLD SITUATIONS; AND TO HAVE SOME FUN!!