

Econ 130 (A)
PRINCIPLES OF ECONOMICS—MICRO
Honors Section: Spring, 2009

Course Description: This course presents microeconomics as a serious, lively, and relevant social science. With this purpose in mind, the course not only introduces students to theories of individual economic behavior, we examine current hot topics such as the cost-effectiveness of curbside recycling, road pricing as a solution to traffic congestion, the real story behind interisland air travel and go! Airline, why Norwegian Cruise Line decided to deploy its biggest ship from Hawaii to Europe in 2008, to get across the message that economics is not only about stodgy, irrelevant theory, it is important and is also a fun subject. Economics can help students gain a greater appreciation of the myriad of ways that it affects how we live and manage our daily lives.

Instructor: Professor James Mak, Saunders Hall, Rm 532
Ph. No. 956-8280
Email: jmak@hawaii.edu (I encourage you to contact me via email)
Class time: TR 9:00 – 10:15 in BusAd D301
Office Hours: T and Th 11:00 – 12 noon and by appointment till May 6.

Text: Gregory N. Mankiw, *Principles of Microeconomics*, 5th edition, Thomson South-Western. The textbook is required. If you can get a copy of the 4th edition (to save money), I encourage you to do so. The contents of the Principles of Microeconomics texts don't change much from year to year, but the prices of the textbooks may.

Learning Objectives: We begin and end the course by reviewing the 7 learning objectives identified by Mankiw as the central principles of microeconomics:

1. People face trade-offs
2. The of something is what you give up to get it.
3. Rational people think at the margin.
4. People respond to incentives.
5. Trade can make everyone better off.
6. Markets are usually a good way to organize economic activity.
7. Governments can sometimes improve market outcomes.

Conduct of the Course: The class begins each day with a 5-10 minute student oral presentation summarizing the major points of an article in a newspaper (e.g. Wall Street Journal, Honolulu Advertiser) or magazine (Business Week, Fortune, etc.) with a microeconomic orientation. The articles are selected by the students. Students are required to explain why the article is of interest/importance; at the end of the presentation, the student must summarize the article in a one sentence “punchline” (a very thought provoking task.) Questions and discussions follow. The purpose of the oral presentation is to get students to know each other (and for the professor to know the students), promote oral communication and foster exchange of ideas, and to be able to state in a succinct manner the key points of an article.

As economics is a theoretical/tools oriented discipline, lectures follow the student presentations. In this course, students will apply the theory learned in class to real world problems; this means that the issues that we discuss in class may be decided at the last minute depending on what's hot out there. Student participation in discussion is expected, and I take attendance daily. I will try to Hawaii examples to illustrate important economics principles.

Homework assignments, in addition to readings, include essay/problem solving assignments and short research papers which apply economic principles learned in the class to hypothetical or real world problems. **I accept no late assignments.**

Exams: A mid-term and a final (essay and problem solving variety) comprise the other requirements of the course.

Final Exam: Thursday, May 15 at 9:45 a.m. Make sure your travel arrangements permit you to take the final at this time as no exceptions will be granted.

Grading: Your semester grade will be based on the following: Assignments (one-third); mid-term (one-third); final (one-third). Attendance will affect your semester grade for students who are on the borderline. I will use + and – grading system.