A. Course Description
This course is an introduction to modern economic system that involves individuals, firms and governments. We will start every topic by observing every-day events around us that happened in the past or is happening now. Grasping full understanding of the mechanisms behind may be far too ambitious, but a careful investigation into each topic will reveal its rationales in term of economic language and, most of all, economic thinking.

The topics will basically cover supply and demand, economic decision making, economic and social efficiency, taxation, cost analysis, market structure, international trade theory, labor market introduction.

B. Student Learning Outcomes
Demonstrate understanding of economics through active participation in class discussions
Demonstrate understanding of economic principles through papers/homework assignments that will be given to the students on a weekly or biweekly basis.
Demonstrate ability to use the internet as a research tool and use newly acquired economic analysis skills to interpret currently happening economic events
Demonstrate understanding how economic theories explain the relationship among global economies. Students are expected to make better sense of how economic decisions are made by economic participants (individuals, firms and government) and, more importantly, what the impacts could be on us at micro level and the society as a whole.

C. Textbook
Your e-textbook is free and a print version is available at very low cost!
The book is available in a wide variety of free online formats via the website listed below. You can use the book in whichever format(s) you want; we recommend that you download the entire .pdf so that you always have access to your book.


Printed copies at a significantly reduced textbook rate are also for sale via your college bookstore or www.openstaxcollege.org

D. Reading Materials

The Economist Magazine
Major newspapers (not just the business section, yes, sports sections also carry interesting economic stories)

E. Grading System

There are two exams (midterm 25% and final 35%), accounting for 60% in total toward final grade. The final exam is not accumulative, but it does need knowledge from the first half of term to understand context;

There will be a few assignments (4-5 problem sets) accounting for 15% in the final grade;
A class project with cooperation of 3-5 students. Students will study a topic of their interests (economy related or applying economic theory in other fields) and write a 3-page double spaced article. Details will be discussed in class before the assignment. This part accounts for 15% in the final grade;
Participation in class activities (discussion and survey) (7%) is strongly encouraged and attendance (3%) is strongly discouraged. Missing assignment due to missing class will not be pardoned. Missing classes more than 3 times will not have the attendance credit.

Exam dates are set as following:
Midterm: Friday Oct. 16th, in class
Final: 9:45-11:46, Monday Dec. 14th
Class project paper due: Mid night on Thursday, Dec. 17th.

It is important to set aside other plan for the fixed date. Last minute excuses for missing the exams will not be accepted unless absolute emergency (proof is required such as doctor or supervisor’s notes. In this case a make-up exam can be scheduled on the date based on my approval. If the student misses the make-up exam again for whatever reason, he or she will receive zero for the exam).

Other contingence can also be addressed before class or other meeting time.

A letter grade will be assigned to each based on the following final grade layers:
A+  >92%
A   91- 92%
A-  89-90%
B+  84-88%
B   78-83%
F. Academic integrity

University of Hawaii student handbook has detailed regulations of high standards of academic integrity. I expect every one of you follow the strict requirements without any reservation. Plagiarism, cheating or copying will be punished by the maximum level possible. While I strongly encourage collaboration among students, any duplicate assignments will result in severe penalty for all sides involved.

G. Reading schedule

I expect everyone to be prepared for each class beforehand. The following assignment of reading will be required to follow in class schedule. Due to different difficulty level of each chapter, our class pace will vary accordingly each week. Sometimes a detailed explanation can only be obtained through intensive reading after class. I will prefer your bringing questions to class so you know where you are heading.

Week 1 introduction of principles of microeconomics
a. Definitions
b. Microeconomics vs. Macroeconomics
c. How to use theories and models in Economics
d. Choice making process
e. Production Possibilities Frontier
Reading Assignment: Chapters 1 through 2

Week 2. Supply and Demand: How Markets Work
a. Demand
b. Supply
c. The equilibrium: Four-Step process
c. Price Ceilings and Price Floors
Reading Assignment: Chapters 3

Week 3-4. Supply, Demand and Government Policies
a. Demand and Supply in Labor Markets
b. Demand and Supply in Financial Markets
c. Price Ceilings
d. Price Elasticity of Demand and Supply
e. What Can Elasticity tell?
Reading Assignment: Chapter 5

Week 5. Consumers, Producers and Market Efficiency
a. Consumption Choices: Marginal Utility
b. How Income and Prices Affect Consumption Choices
c. Choice between Labor and Leisure
d. Intertemporal Choices in Financial Capital Markets

*Reading Assignment: Chapter 6*

**Week 6. Cost and Industry Structure**
a. Costs and Profit
b. Determinants of Deadweight Loss
c. Costs in the Short Run
d. Costs in the long Run

*Reading Assignment: Chapter 7*

**Week 6-7. Perfect Competition**
a. Perfect Competition and Why It Matters
b. Output Decisions for Firms
c. entry and Exit Decisions in the Long Run
d. Efficiency in Perfectly Competitive Markets

*Reading Assignment: Chapter 8*

**Week 8-9. Other Market Structure**
a. Monopoly
b. How Profit Maximizing Monopoly Chooses Output and Price
c. Monopolistic Competition
d. Oligopoly
e. Corporate Mergers
f. Antitrust Policy

*Reading Assignment: Chapter 9-11*

**Week 10-11 International Trade**
a. Determinants of Trade
b. Absolute and Comparative Advantage
c. Gains of Trade
d. Arguments against and Support of Trade
e. Protectionism
f. How Trade Policy is Enacted: Globally, Regionally and Nationally

*Reading Assignment: Chapter 19-20*

**Week 12-13. Environmental Protection and Externalities**
a. Economics of Pollution: Negative Externalities
b. Command and Control Regulation
c. Environment Policy: Domestic and International
d. Benefits and Costs for Environmental Policy
e. Positive Externalities: Public Goods
f. Public Goods

*Reading Assignment: Chapters 12 and 13*
Week 13-14. Poverty and Economic Inequality
a. Poverty Line
b. Poverty Trap
c. Safety net
d. Income Inequality: Measurements and Causes
e. Government Policy
f. Issues in Labor Markets

Reading Assignment: Chapter 14-15

Week 15. Information, Risk, and Insurance
a. Imperfect Information and Asymmetric Information
b. Insurance

Reading Assignment: Chapter 16

Week 16. Public Economy, Financial markets
a. Elections and Politics
b. Flaws in the Democratic System of Government
c. Financial Capital: Demand and Supply
d. How to Accumulate Personal Wealth