Course Content: What is a market economy? How does it work? What are the strengths and weaknesses of the market system and what can be done to improve its operation? These are some of the questions that will be addressed in this course.


Course Requirements: Class attendance, 2 midterm exams (40%), 2 “surprise” quizzes (10%), and the final exam (50%)

Reading Assignments:

**Week 1 & 2: Introduction (Chapters 1, 2 and 3)**
Topics: Ten principles of economics, Economic logic, Comparative Advantage and the Division of labor

**Week 3, 4 & 5: How does the markets work (Chapters 4, 5 and 6)**
Topics: Market competition, Demand and Supply, Measure of response—elasticity

*First mid-term exam on Thursday, February 17*

**Week 6 & 7: Markets and Welfare (Chapters 7, 8 and 9)**
Topics: Efficiency of markets, Consumer and producer surplus, Costs of taxation, Winners and losers from international trade

**Week 8, 9 & 10: Economics of the Public Sector (Chapters 10, 11 and 12)**
Topics: Externalities and market inefficiency, the Coase theorem, Public goods and common resources, Design of tax system

**Week 11 & 12: Firms and Industry (Chapters 13, 14, & 15)**
Topics: Costs of production, Competitive markets, Monopoly

*Second mid-term exam on Thursday, March 31*

**Week 13 & 14: Firms and Industry (Chapters 16 and 17)**
Topics: Oligopoly, Monopolistic competition

**Week 15 & 16: Labor Markets (Chapters 18, 19, and 20)**
Topics: Demand for and supply of labor, earnings and discrimination, income distribution and poverty

**Week 17: Review**

The final exam is comprehensive and is scheduled on **Tuesday, May 10, 2005 (12:00 – 2:00 p.m.)**

The instructor’s office is in Room 518, Saunders Hall. The office hours are from 10:00 to 11:45 a.m., Tuesday and Thursday and the office phone number is 956-8427. The TA’s office is in Room 538, Saunders Hall.

Note: If you feel that you need reasonable accommodations because of the impact of a disability, please contact the
KOKUA program at 956-7511 or speak with me privately to discuss your specific needs.