

**INDIANA UNIVERSITY - PURDUE UNIVERSITY
AT INDIANAPOLIS**

Department of Economics

ECON 201
MICROECONOMICS
Spring 2008
MRobinson@midwestiso.org

Michael Robinson
Office Hours: after
class & by appt
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Course Outline

General Information

This course is concerned with the basic ideas of microeconomic theory. It is designed to provide students with an opportunity to learn some basic principles and to apply them to the study of some pressing economic and social issues. It is tentatively organized into parts listed in the plan below.

About the Instructor

The instructor is one of the principal design architects for the Midwest wholesale electricity market, which began on 1 April 2005. This market has been designed to be a competitive one, with billings in the range of \$5 -\$10 billion, and is one of the largest electricity markets in the world.

Required Textbook: **Microeconomics** (8th Edition)
Michael Parkin, 2007.

Primary resources for the course are the lectures, readings and problems discussed in class. The lectures are intended to complement the readings, not substitute for them. At any time, the lectures may comment on, extend or refute the contents of the text.

This course is divided into four parts. The first part provides common ground, going over fundamental tools and methods. The second part describes how markets work. The third part emphasizes theoretical analysis, describing different types of markets. And the fourth part discusses policy analysis, addressing market failure.

<u>Grading:</u>	Hour exams - 2 each/ 100 points each	200
	Quizzes - best 4 of 5, 25 points each	100
	Final exam	125
	Presentation/Contribution	<u>75</u>
	Total	500

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Standards for Grading:

90-100% A	plus-minus grading is used			
80-89% B	97-100	A+	77-79	C+
70-79% C	93-96	A	73-76	C
60-69% D	90-92	A-	70-72	C-
	87-89	B+	67-69	D+
	83-86	B	63-66	D
	80-82	B-	60-62	D-

Make-Up Exams:

A make-up may be scheduled for legitimate reasons, such as illness or death in the family. To be considered for a make-up, you should notify me before the exam. Make-up quizzes may be oral.

Incomplete grade:

From the Liberal Arts Bulletin, "The grade of incomplete is an agreement between the student and the instructor and is assigned only when a student has successfully completed at least three-fourths of the work with passing quality and if unusual circumstances prevent the student from completing the work within the semester.

Plan of the Course:

Topics

1. The Fundamental Economic Problem
2. Opportunity Costs and Tradeoffs (PPF)
3. Markets and Prices (circular flow)
4. Economic Institutions and Incentives
5. Supply, Demand and Market Equilibrium
6. Regulation: Price Floors/Ceilings
7. Elasticity
8. Consumer Behavior
9. Cost Curves
10. Profit Maximization
11. Supply Curves
12. Competitive Markets
13. Monopolies
14. Monopolistic competition
15. Market Failures
16. Trade and Tariffs