

Economics 2A – Introduction to Economics

September 2000, 8:00am – 9:20am, Tuesday & Thursday

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SYLLABUS

OBJECTIVES:

This course is designed to introduce you to the basic foundations of microeconomic analysis. The course will begin by giving a brief overview of the economy and the fundamental problems of production and distribution that *any* economic system is designed to address. We will then discuss some of the basic properties of supply, demand and market equilibrium. After having done this, we will examine how individuals and firms behave under perfect competition. We will also discuss what happens when perfect competition breaks down (i.e. monopoly and duopoly) and the conditions under which perfect competition may not lead to an efficient allocation of resources. Finally, we will discuss the distribution of income and poverty in the U.S. economy.

PREREQUISITES:

You are expected to know the material covered in Math 10ABC or Math 20ABC.

TEXT:

The text is Principles of Economics, 5th Edition, by Karl E. Case and Ray C. Fair, (Simon and Schuster, 1999) which is available at the Bookstore.

EXAMS AND GRADES:

There will be two midterms (25% each) and a cumulative final (50%). The first midterm will be in class on **Thursday, October 12th** and the second midterm will be in class on **Tuesday November 7th**. The final is cumulative and will be on **Tuesday, December 5th** from 8:00-11:00am.

Note: If you miss a midterm for a verifiable medical/legal/sports reason, your midterm grade will be your grade on the final.

PRACTICE PROBLEMS:

There will also be practice problems available on the web. If you would like, you may turn answers in to your TA for correction. Practice problems must be given to your TA by the due date. However, **these practice problems will have absolutely no effect on your grade.** Completing the practice problems is optional. Answers to the practice problems will frequently be covered in section.

TIPS TO DOING WELL IN THIS COURSE:

1. This will not be an easy course so be prepared.
2. One of the goals of this course is to teach you to think analytically. In other words, the exams will not merely ask you to repeat the concepts from the lectures and the text; you will be asked to apply them, and you should study accordingly.
3. The best way to prepare for the exams is to do the practice problems regularly, each week as the relevant material is being covered. This is the **only** way you will be able to tell how well you understand the material (trust me on this one). Don't wait for the answers to be covered in section.

COURSE OUTLINE AND READING ASSIGNMENTS

Date	Topic	Chapter
21-Sep	Introduction	1
26-Sep	Scarcity and Choice	2
28-Sep	Demand, Supply and Equilibrium	4
3-Oct	The Price System and Elasticity	5
5-Oct	Household Behavior and Consumer Choice	6
10-Oct	Household Behavior and Consumer Choice	6
12-Oct	Midterm - In Class	1,2,4,5,6
17-Oct	The Production Process	7
19-Oct	Short-Run Costs and Output Decisions	8
24-Oct	Long-Run Costs and Output Decisions	9
26-Oct	Input Demand-Land and Labor	10
31-Oct	Input Demand-The Capital Market	11
2-Nov	Perfect Competition and General Equilibrium	12
7-Nov	Midterm - In Class	7 to 12
9-Nov	Monopoly	13
14-Nov	Monopolistic Competition and Oligopoly	14
16-Nov	Externalities & Public Goods	16
21-Nov	Income Distribution and Poverty	17
28-Nov	TBA	
30-Nov	Review	
5-Dec	Final 8:00am-11:00am	Cumulative