

**Syllabus of Econ 1: Elements of Economics I  
UCSD, Spring 2005**

**Instructor:** Ivan Major

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Office: 108 Economics Building

Lecture time: MWF 11:00–11:50 a.m.

Classroom location: CENTR 212

Discussion session: F 8:00–8:50 a.m.  
F 9:00–9:50 a.m.

Classroom location: PETER 103  
Classroom location: PETER 103

**Teaching assistants**

Eric Giambattista

Office hours: Mo 4–5 p.m., and Fr 10–11 a.m.

Ji Liu

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**Course description**

This is an introductory course for microeconomics. In this course you get acquainted with the benchmark case of “perfect markets.” You will learn about market imperfections in subsequent Econ courses. The topics we shall discuss in this course are as follows:

- scarcity and economic choice;
- economic benefits and economic costs;
- cost-benefit analysis;
- why do people engage in transactions: the concept of comparative advantage;
- the different forms of exchange: from autonomous markets, to regulated markets and to centrally administered allocations;
- how are demand and supply formed, and how is equilibrium attained in different markets;
- how would people’s wants translate into demand;
- what is price elasticity and income elasticity of demand;
- how can we derive market demand from individual demands;
- how do firms determine their supply in a perfectly competitive market;
- what do economists mean by efficiency in a market environment;
- what does the metaphor of the “invisible hand” stand for;
- how can the “visible hand” of the government affect economic efficiency;
- the possible differences between market equilibrium, social optimum and social justice.

**Textbook:** Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, Second edition, McGraw-Hill/Irwin, 2004. (FB)

**Schedule of classes and required reading:**

March 28 – April 29: **FB**, Ch. 1–5, plus “The consumer’s utility maximization”

May 1–June 10: **FB**, Ch. 6–8, plus “The firms’ profit maximization and cost minimization”

**Midterm exam:** April 29, 11:00–11:50 a.m.

The content of the exams is non-cumulative. Exams will contain multiple choice and short answer questions.

**Homework assignments**

- Assignment 1 (due by April 8)
- Assignment 2 (due by April 22)
- Assignment 3 (due by May 6)
- Assignment 4 (due by May 20)
- Assignment 5 (due by June 3)

Homework should be handwritten and readable. No printed homework will be graded.

Points on class participation will be awarded for correct answers to cold call questions during lectures. Class participation points can be redeemed by a two pages printed essay (400–500 words) on one of the following topics:

- Examples on the principles of scarcity and opportunity cost;
- Examples on comparative advantage;
- Cost-benefit analysis of a recent economic policy decision.

**Grading**

Midterm exam	Final exam	Homework	Class participation
30%	50%	15%	5%

**Grade scale**

A±	B±	C±	D
81–100	71–80	60–70	50–59