

ECONOMICS 201 - MICROECONOMICS  
Spring 2008 - 8:00am MWF  
RM 7 - Gamble Hall  
Call #8848, S1

Instructor: Terry Hagen

Office Hours: 10:00-10:50 MWF, 9:00-9:30 TR, Gamble Hall,  
Room 286-A (290) Phone: 777-3350 (Call or drop in  
the office anytime!) E-mail, tlhagen@hotmail.com

Prerequisites: Math 103 or an equivalent knowledge in math.

Text: Microeconomics, Sixth Edition, by David  
C. Colander, McGraw-Hill/Irwin Publishing.  
Aplia website for homework assignments.

Course

Description: A study of basic economic principles of  
pricing, resource allocation and consumption.

Course Goals: To give the student an understanding of the  
theories of individual families and  
businesses; how government policy affects the  
way they conduct their economic affairs.

Desired Learner Outcomes:

Upon completion of this course, the students  
should be able to:

1. Recognize and appreciate economics as a study  
of human behavior.
2. Understand and be able to logically apply  
economic principles to real world, real time  
situations.
3. Recognize different kinds of economic systems  
and how they address the questions any  
economic system must answer.
4. Recognize the role of and functions of  
government in our economic system.
5. Develop an awareness of the global economy.

Course

Requirements: The student is responsible to read and study  
the material before class. This will be  
an interactive class setting and the student  
who is prepared will learn much more than  
those that are not.

Class

Policies: Class attendance is not mandatory but is  
important to the understanding of the  
material. Those that attend regularly and  
take good notes will get the best results in  
the final grade. Cheating will be dealt with in an  
appropriate manner.

Course Content and Schedule:

Week One - Chapter 1-2: Economic Reasoning

Week Two - Chapter 3, 21: U.S. and Global Economies

Week Three - Chapter 4 & 5: Supply and Demand

Week Four - Chapter 5: S & D

Week Five - Chapter 6: Elasticity

\*\*\*\*\* Test #1, Chapters 1-5, W, February 13 \*\*\*\*\*

Week Six - Chapter 7: Taxes, Market Failure

Week Seven - Chapter 8: Consumers

Week Eight - Chapter 9: Short Run Costs

Week Nine - Chapter 10: Long Run Costs

\*\*\*\*\* Test #2, Chapters 6-8, February 27 \*\*\*\*\*

Week Ten - Chapter 11: Perfect Competition

Week Eleven - Chapter 12: Monopoly

Week Twelve - Chapter 13: Monopolistic Competition and Oligopoly

\*\*\*\*\* Test #3, Chapters 9-11, April 16 \*\*\*\*\*

Week Thirteen - Chapter 13: Oligopoly

Week Fourteen - Chapter 17: Dist. Of Income

Week Fifteen - Chapter 15: Antitrust

Week Sixteen - Final Review

\*\*\*\*\* Final Test, Friday, May 6, 5:30pm\*\*\*\*\*

Place TBA

GH RM 7?

##### Bring UND ID to every test!! #####

Make-up Tests            There will be make up tests available if you must miss a regularly scheduled test. The make up tests are slightly more difficult than the regularly scheduled tests, so do all you can to take the test at the regularly scheduled time. Please let me know ahead of time, if possible, should you need to miss a test. We will need to schedule your make-up time.

Grading Policy            A maximum of 500 points can be earned in this class. There will be three class tests and a final. The tests are all worth 2 points per question. First test 80 points with the next two at 100 points and a final of 150 points. There will be an occasional extra credit assignment given during class, but you must be present (in class) to receive the points. (No Exceptions!) The extra credit points are meant to reward those who are in class but not to punish those who miss class.

There will also be 70 points worth of (home) work. This will be assigned from aPLIA as we get to it in the material. You should keep tabs on what is happening in class if you miss for any reason as we may have an assignment due before the next class.

Grading will be based on: 90-100% - A, 80-89% - B, 70-79% - C, 60-69% - D, and below 60% will receive a failing grade.

Total Points:            Test #1 - 80 points  
                              Test #2 - 100 points  
                              Test #3 - 100 points  
                              Final    - 150 points  
                              Daily    - 70 points  
                              Total    - 500 points

Test Format:              The typical test format will be multiple choice. The first hour test will be 40 questions long and the next two will be 50 Questions apiece. The final test will be 75 Questions.

Test Requirements:        I may require you to have identification for the tests. Some of these classes get very large and it is difficult to track everyone. Bring your UND ID to every test! I reserve the right to reject a test without a UND ID.

1. If you need accommodations in this course because of a disability, if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible.

If you plan to request disability accommodations, you are expected to register with the Disability Support services (DSS) office (Room 190 McCannell Hall, 777-3425).

2. Late enrollment in a business administration course will normally be permitted only if the course has not completed the equivalent of one full week of meetings (3 meetings for MWF classes, 2 meetings for TR classes, one meeting for once per week classes). Late enrollment, and enrollment in a closed class, requires approval of the department offering the class.

3. Courses in which grades of "C" or better are earned may be repeated upon written approval of the department concerned and the dean of the college offering the course and the student's academic adviser. Without this approval, both grades will be recorded on the student's permanent record, with the last grade being marked as duplication and not being counted in the student's GPA. **The petition for a repeat of grade must be done by the end of the first week of class, or it is unlikely that the petition will be approved.**

Econ 201 - Microeconomics - Assignment #1  
Production Possibilities - 10 Points

For the following two problems; Plot the curves, Indicate whether the curves exhibit increasing marginal opportunity costs or not and show both an increase in general technological advances and an increase in technology in only one of the goods.

1. Given the following data, plot a production possibilities curve for Chevy Suburbans and Kias.

<u>Suburbans</u>	<u>Kias</u>
1000	0
800	300
600	600
400	900
200	1200
0	1500

2. Given the following data, plot the production possibilities curve for Snowblowers and shovels.

<u>Shovels</u>	<u>Snowblowers</u>
1000	0
800	150
600	270
400	360
200	420
00	450

Econ 201, Problem #2, Instructor: Terry Hagen  
Foreign Exchange, 10 points

1. The dollar is worth 70 Yen, how much is one Yen worth in terms of dollars.
2. One dollar is worth \$1.10 in Canadian funds, how much is one Canadian dollar worth in U.S. funds.
3. Aerospace is an important export for the U.S. At 70 Yen to the dollar, how much would a Citation jet at a cost of 30 million dollars be in terms of Yen?
4. The Yen has lost value in respect to the dollar. Now the dollar is worth 100 Yen, how much does that same citation jet cost in terms of Yen at a cost of 30 million. What does this situation (usually) mean for U.S. exports.
5. If a British Pound will buy 1.9 U.S. dollars, how much would a U.S. made Harley-Davidson motorcycle at \$29,500 cost in terms of pounds?

Assignment #3  
Economics 201  
(10 points)

1.	P	Q1	Q2
	5	750	100
	10	700	200
	15	650	300
	20	570	400
	25	500	500
	30	400	600
	35	300	700
	40	250	800
	45	200	900
	50	150	1000

- a. For the above prices and quantities: Which are the demand quantities and which are the supply quantities?
- b. Graph demand and supply on one graph. (Plot the points)
- c. What is the equilibrium price and quantity?
- d. What would a price ceiling set at \$30 do to this market?
- e. What would a price ceiling set at \$20 do to this market?
- f. What would a price floor set at \$30 do to this market?
- g. Increase demand by 150% and answer a-f again.

\*\*\* Please answer on a separate sheet of paper. I would appreciate this assignment done on a word processor and/or excel, it makes it much easier to read, although it is not required. If you do this on Excel, you will need to turn the axis around so that the price is on the vertical and the quantities are on the horizontal.

Econ 201, Assignment #4, Instructor: Terry Hagen  
Demand, Supply, Equilibrium, Elasticity and Total Revenue  
10 points

You have just finished a study for the demand for product (A)  
You have also determined the level your company will supply  
for the prices given. I am the president and I want you to  
tell me the information below so I can direct our  
manufacturing department what to do.

Price	Demand	Supply	Total Revenue (use demand Quantities)
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\*Use the supply and demand numbers from assignment #3.

Given the information in the above table: 1. Plot the demand  
and supply curves: 2. Figure the equilibrium level of price  
for supply and demand: 3. Find the (Ed)=Co-efficient of  
elasticity for demand between all the price levels. (use the  
arc elasticity formula)(Nine Ed's in all) 4. Then fill out the  
numbers for total revenue and tell me at what price level we can  
maximize total revenue. 5. At what elasticity does total revenue  
maximize? Total revenue is not the whole story, tell me what main  
idea we have not discussed yet, that you would  
like to know before you make your report. (Hint: Revenue vs C\_\_t)

\* Please do on a separate sheet of paper \*

Econ 201 - Economics - Assignment #5  
Costs - 10 points

1. Calculate marginal cost, total cost, average fixed cost, average variable cost, and average total cost. Total costs are \$500 with no production.

<u>Output</u>	<u>Marginal Cost</u>
0	0
1	100
2	70
3	50
4	40
5	50
6	65
7	85
8	110
9	140
10	175
11	215
12	265
13	335
14	415

2. Make two graphs,      A. Graph TC, FC and VC      B. Graph MC, ATC, and AVC

3. You have been hired to run a small production plant. You have a line producing short wave radios at an average cost of \$200 per unit at 500 units per week. Your company is now receiving \$240 per unit and a company offers to pay the same price for 10 more units per week. After doing some research, you have discovered that producing 10 more units per week will raise the average cost to \$200.50 per unit. Should you accept the offer? Why or why not? Show numbers to back up your answer.