

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

Instructor: Ivan Major

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Office hours: TuTh 10:00–11:00 a.m.

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Lecture time: TuTh 8:00–9:20 a.m.

Classroom location: CSB 001

Discussion session: M 8:00–8:50 a.m.

Classroom location: CENTR 222

M 11:00–11:50 a.m.

Classroom location: PETER 103

Teaching assistants: Mei Dan

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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:

January 4 – February 8: **FB**, Ch. 1–5, plus “The consumer’s utility maximization”

February 15–March 13: **FB**, Ch. 6–8, plus “The firms’ profit maximization and cost minimization”

Midterm exam: February 10, 8:00–9:20 a.m. (Moved from February 4.)

Final exam: March 17, 8:00–11:00 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 January 13)
- Assignment 2 (due by January 20)
- Assignment 3 (due by February 3)
- Assignment 4 (due by February 24)
- Assignment 5 (due by March 10)

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 one page 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
40%	40%	15%	5%

Grade scale

A±	B±	C±	D
81–100	71–80	60–70	50–59