

**LAGUARDIA COMMUNITY COLLEGE**  
**Social Science Department**

**SSE 103.1830: Introduction to Microeconomics**

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Hours: Thursdays, 3:30-5:30 PM or by appointment

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**Catalogue Description:**

This course will study price determination and distribution under alternative market structures as well as government intervention in the market. A comparison of the market economy to alternative systems will also be examined.

**Instructional Objectives:**

Introduce students to:

1. The theory of price determination and distribution.
2. The factors that influence efficiency decisions of the consumers and firms.
3. Alternative market structures: pure competition, monopoly, monopolistic competition and oligopoly.
4. Government antitrust, regulation, and market failure.
5. How and why international trade makes different economies more interdependent.

**Performance Objectives:**

At the end of this course, students will be able:

1. To explain the theory of price determination and distribution.
2. To define factors that influence efficiency decisions of the consumers and firms.
3. To differentiate alternative market structures: pure competition, monopoly, monopolistic competition and oligopoly.
4. To explain government antitrust, regulation, and market failure.
5. To explain how and why international trade makes different economies more interdependent.

**Criteria and Evaluation:**

Grades will be based on: (1) attendance; (2) in class midterm and final exams, take home; (3) research paper

1. Attendance: Students are expected to attend each class, as all absences must be accounted for. Please note that this requirement is considered so important that more than two (2) unexcused absences during the quarter will constitute a reduction of one's grade by one full grade. Class discussions often illuminate materials in ways other than the textbook presentation and are often occasions where the major points of the course are related to one another. There will be no make-up exams unless a legitimate excuse is provided for the absence on the exam days. Please make sure to reach your instructor whenever there is a need before it is too late to intervene. Students must take advantage of the tutorial service when available for this class.

2. Tests: During the quarter there will be a minimum of two in class tests and take home assignments on the topics and concepts (or discussion thereof). The final examination will be cumulative covering the specified chapters and lectures. The format of each exam will consist of computation, essay and illustration.

3. Research paper: A revised 10 page research paper, including source folder and any preparatory assignments which lead up to it. The revised essay will go through at least two drafts.

4. Potential Grade Values: Final semester grade is potentially worth:

(1) Midterm (20), Final (30), and Take Home (20): 70%; (2) Writing Assignment (low and medium): 10%; (3) Research Paper: 20%

The letter grades will be assigned on the basis of 95+ = A; 90-94 = A-; 86-89 = B+; 85 = B; 80-84 = B-; 76-79 = C+; 75 = C; 70-74 = C-; 66-69 = D+; 65 = D; 60-64 = D-; 59-0 = F

**Required Text:**

Boyes W. and Melvin M. (2003), Economics, Sixth edition, Houghton Mifflin Company.

## COURSE OUTLINE

### INTRODUCTION TO MICROECONOMICS

Text: Economics, Sixth edition, Boyes and Melvin

- Week 1 Chapter 1: What is Economics  
Low Stakes Assignment: What are your expectations in this course?
- Week 2 Chapter 3: Markets, Demand, Supply and Price System
- Week 3 Chapter 4: Market System and the Private Sector
- Week 4 Chapter 20: Elasticity: Demand and Supply  
Low Stakes Writing: Write a letter to a student in your group who was absent and explain to him/her how businesses use the concept of elasticity of demand to increase sales.
- Week 5 Chapter 21: Consumer Choice
- Week 6 Chapter 19: Globalization  
Medium Stakes Assignment: After seeing (video), or reading (manuscript), or listening (radio) authors Thomas Friedman and Sen. Byron Dorgan, D-N.D discuss effects of globalization on society, students are to individually write a 3-page essay highlighting this debate. Students' essays should reflect an understanding of the actual issues. (More details on page 3, Stage 1)
- Week 7 Chapter 36: International Trade Restrictions  
Medium Stakes Assignment: Students in the class will revisit the Globalization debate by incorporating new materials covered in chapter 36. Students will be assigned to opposite sides and form debating teams. As preparation for the debate, each student will write a three page paper in which they will summarize some of the arguments for or against free trade. (More details on page 3, Stage 2)
- Week 8 Chapter 22: Supply and Cost Theory
- Week 8 Chapter 23: Profit Maximization
- Week 9 Chapter 24: Perfect Competition  
Low Stakes Writing: Explain why a perfectly competitive firm would or would not advertise. [Other possible assignment: Why would a firm stay in business while losing money? Explain]
- Week 10 Chapter 25: Monopoly
- Week 11 Chapter 26: Monopolistic Competition and Oligopoly  
Low Stakes: Briefly review the pros and cons of the four market structures (i.e., Perfect Competition, Monopoly, Monopolistic Competition, and Oligopoly).
- Week 12 Chapter 27: Antitrust and Regulations  
Low Stakes: Is Government the best way to solve market failure? Explain

## Staged Assignment

General Problem: Students will represent different groups in a trade dispute (perhaps autos or textiles).

### Groups:

- Group I: Domestic manufacturers, or trade groups, or workers
- Group II: Domestic government (Congressman from key manufacturing state)
- Group III: Domestic consumers
- Group IV: Foreign manufacturers & workers
- Group V: World Trade Organization = Economist making recommendation

[Other possible groups include domestic unions, foreign consumers, military/strategic organizations, IMF, World Bank]

Each student group will have 5 members. The groups will:

Stage 1) Research the issue [= 3 page paper] (Week 6)

Students will research the issues of globalization independently. The paper will highlight the pros and cons of globalization. Each student must find 3 legitimate sources and write a 3 page paper on the issue. Sources could include the textbook (Chapter 19: Globalization and Chapter 36: International Trade Restrictions), economic papers, and newspaper articles (including the debate between authors Thomas Friedman and Senator Sen. Byron Dorgan posted on Blackboard). Students will then meet in their groups to discuss the issues, and produce a short presentation for the class summarizing their findings.

Stage 2) Define their group's position [= 3 page paper] (Week 7)

Students will independently write a 3 page paper defining their group's position on the matter. For example, how do domestic workers feel about globalization?

Stage 3) Write an Op-ed in the New York Times arguing for their position. (Week 8)

(The instructor will provide a sample of an Op-ed for students to consider.)

Students will independently write a 1 page essay arguing for their position. The audience is the educated, newspaper-reading public. Students will then meet in groups, discuss their strategies, and present a collective version to the class.

Stage 4) Class debate (Week 9)

(Before debating, each group will provide a debate outline to the class. The debate brief will include the pertinent bibliography.)

Students will debate in class as representatives of their groups. Each group will have a spokesperson, although anyone may address the topic at hand. Professor Kone will serve as moderator, using prepared questions to move the debate along and point out difficult issues.

Stage 5) One page summary (low stake) (Week 9)

Students will independently write a 1 page summarizing each group's position.

Stage 6) 10 page paper (Week 12)

Students will write a 10 page paper examining a different trade issue from the one used so far (i.e., food instead of textiles or autos). The 10 page paper will

- 1) Identify the problems arising from the trade issue.
- 2) Discuss the possible solutions.
- 3) Provide recommendations on what is (are) the optimal solution(s) for the domestic economy. This provides an opportunity for students to return to and apply basic economic concepts and principles.