

Introduction to Microeconomics

ULEC2030 A and Discussion Section

Spring 2007

Professor Will Milberg

Lecture: Tuesday 6-7:20

Teaching Assistants:

Ryoko Kakutani, Amr Ragab, Catherine Ruetschlin

This course focuses on the principles of microeconomics and their application to the international economy. After analyzing the basic supply and demand characteristics of markets, we turn to a treatment of an analysis of competition and market structure, income distribution, labor markets, innovation in technology and design, market failure, international trade, exchange rates and international capital markets.

This course is a companion to Introduction to Macroeconomics, although that course is not a prerequisite for taking this one. This course has a weekly lecture given by Professor Milberg and a weekly discussion section led by one of the Teaching Assistants. You are required to attend both the lecture and the discussion section for which you are registered.

Course readings: The readings-- listed in the course outline below-- are all required. The textbook is Economics, 6th edition, by David Colander, published by McGraw-Hill, 2006. (Cited below as “Colander”.) The other readings will be available on Blackboard at least a week before they are discussed in class.

Grading: Grades will be based on attendance in lecture and discussion section (10%), participation in class discussion (10%), homework assignments (30%), and a midterm exam (25%) and final exam (25%). Attendance is required in both the lecture and the discussion section. Late homework assignments will be downgraded 25% per week late.

Course Outline and Readings

Week of Jan. 22: Opportunity costs, production and economic development

Colander, Chapter 2

Week of Jan. 29: Supply and demand

Colander, Chapters 4-5.

Freeman, R. (2005) “China, India and the Doubling of the Global Labor Force: Who Pays the Price of Globalization?” The Globalist, June 3rd.

Week of Feb. 5: Income and price elasticity

Colander, Chapter 6

Week of Feb. 12: Production and cost analysis

Colander, Chapters 9, 10

Week of Feb. 19: Perfect competition

Colander, Chapter 11

Week of Feb. 26: Monopoly

Colander, Chapter 12

Nolan, P. (2003) "Industrial Policy in the 21st Century: The Challenge of the Global Business Revolution, Chapter 14 in H. Chang, editor, Rethinking Economic Development, London: Anthem Press.

Week of March 5: Oligopoly, innovation and branding

Colander, Chapter 13

Schumpeter, J. (1942) "The Process of Creative Destruction," in Capitalism, Socialism, and Democracy, New York: Harper Torchbooks.

MARCH 13: MIDTERM EXAM

Week of March 19: Spring Break

Week of March 26: Factor markets

Colander, Chapter 16.

Mason, P. (2000) "Discrimination in the Labor Market," in J. Madrick, editor, Unconventional Wisdom: Alternative Perspectives on the New Economy, New York: The Century Foundation Press.

Week of April 2: Income distribution

Colander, Chapter 17.

Kaplinsky, R. "Globalization and Poverty," chapter 2 in Globalization, Poverty and Inequality, London: Polity Press, 2005.

Week of April 9: Market failure and public goods

Colander, Chapter 18

McDonough, W. and M. Braungart, Eco-Effectiveness: Cradle to Cradle, , Chapter 3 (p.68-91).

Week of April 16: Technological innovation and technology policy

Colander, Chapter 14

Chang, H. (2001) "Intellectual Property Rights and Economic Development—Historical Lessons and Emerging Issues," Journal of Human Development, Vol. 2, No. 2.

Week of April 23: International trade and international competition

Colander, Chapter 21.

Dicken, P. (2003) "Fabric-ating Fashion": The Textiles and Clothing Industries," from Global Shift: The Internationalization of Economic Activity, New York: Guilford Press.

Week of April 30: Exchange rates and international capital markets

Colander, Chapter 33.

Stiglitz, J. (2006) "The East Asia Crisis: How IMF Policies Brought the World to the verge of a Global Meltdown, in Globalization and its Discontents, New York: W.W. Norton.

Week of May 7: FINAL EXAM