

**C.V.**

**“Let Us Set Out for Any Place Where the Work is Great and Difficult”**  
**Fr. Samuel Mazzuchelli**

<b>Econ 101-03 Honors</b>  Last Revised <b>6/16/17</b>	<p style="text-align: center;"><b>Peter Alonzi, Ph.D.</b>  <b>Preliminary Syllabus &amp; Reading Assignments</b></p> <p style="text-align: center;">Course Prework: Read appendix Ch 1 &amp; do Diagnostic link below  <a href="#">Graphing Diagnostic</a>          Link takes you to the Diagnostic found on pp 13-14 below</p>	<b>Fall, 2017</b> <b>Microeconomics</b> Rm.: TBA Day: T TH Time: 3:30-4:45 p.m.
<b>Prerequisites:</b> Permission of Instructor/Honors Program Director & willingness to work, learn, think, & ask questions.		
<b>Messages:</b> This syllabus nearly complete but since it is provided months before class it is subject to some tweaking.		

**Contact Information:** by phone or email at: 708-524-6483 or [Lpalonzi@dom.edu](mailto:Lpalonzi@dom.edu)

Click for: [\[Objectives\]](#) [\[Outline\]](#) [\[Expectations\]](#) [\[Grading\]](#) [\[Academic Integrity\]](#) [\[Homework\]](#) [\[Midterm Exams\]](#) [\[Final Exam\]](#) [\[Econ Naturalist Essays\]](#) [\[Turnitin.com\]](#) [\[Reading Assignments\]](#)

**Office Hours:**

<b>Day</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>
<b>Time</b>	By Appointment	11:20 a.m. – 12:20 p.m. and By Appointment	By Appointment	11:20 a.m. – 12:20 p.m. 5:15-6:15 p.m. and By Appointment
<b>Place</b>	Cyber café	Cyber café	Cyber café	Cyber café

**Text:** >> Frank, Robert H. & Ben S. Bernanke, *Principles of Microeconomics*, 6<sup>th</sup> ed., NY, McGraw-Hill/Irwin, 2013  
 ISBN 0-07-255409-6

**Course Goals:** [Click to Return Home](#)

Economics is an apparatus of the mind. It is a structured way of thinking about human interaction. This course presents you the opportunity to learn this way of thinking. From the reports of your predecessors, this course changed their lives. They came to see a previously unseen dimension of human interaction, they think about that interaction more profoundly, and they live their lives more effectively. To develop your facility with the structured way of thinking this course has two goals that the successful student will achieve:

1. Be able to observe & analyze your corner of society as an Economic Naturalist
2. Be able to observe & analyze society through the lens of an Economic System

The first goal -- starts from inside you -- begins with you as you personally explore human interaction near you using 7 principles of economics. The second goal -- starts outside you -- as we analyze the economy using 7 models. Each model is a “Lego” which we snap together to build the structural mechanics of a market economy to analyze humanity provisioning itself day in, day out. Using 7 Principles of Economics and 7 Models this course takes the student on an exploration of human interaction from personal perspective and an analysis of the structural mechanical human interaction on a system wide perspective. The successful student will be an economic naturalist and will have a point of view on whether or not to rely on markets to provision humanity as well as the proper role of government in a market economy.

**Course Outline** [Click to Return Home](#)

<p>1. Becoming an Economic Naturalist</p>	<p><b>a. Core Principles</b>  <i>i. Scarcity (I call it Opportunity Cost Principle)    ii. Benefit – Cost</i>  <i>iii. Incentive    iv. Comparative Advantage</i>  <i>v. Increasing Opportunity Cost    vi. Equilibrium    vii. Efficiency</i>  <b>b. Examples of Economic Naturalism in Action</b>  <b>c. Practice being an Economic Naturalist: Write Economic Naturalist Essays</b>  <b>d. Practice being an Economic Naturalist: Analyze Classmate’s Essay</b></p>
<p>2. Competitive Market: How A Market Works at Its Best The Basic Building Block of Market System at Its Best</p>	<p>*. <b>Circular Flow Overview -- “Map”</b>  <b>a. Nine Pillars Necessary for a Competitive Market</b>  <b>b. Demand Plus Supply Emit Price Signal</b>  <b>c. Change in Demand or Supply Changes Price Signal</b>  <b>d. How Much Price Changes is a Matter of Elasticity</b>  <b>e. Consumer Surplus, Producer Surplus</b>  <b>f. A Market At Its Best -- Efficiency</b></p>
<p>3. Model Method of Analysis</p>	<p><b>a. The ARK -- Assumptions about the Relationships between Key Variables</b>  <b>b. Seeing the Demand Supply Competitive Market as a Model</b>  <b>c. The Model Method: Build It, Get Benchmark, Change an Assumption, Observe Deviations from Benchmark</b></p>
<p>2b. Cost/Benefit Principle Plus Competitive Market Lego Yields How Prices &amp; Profit Signals Lead a Market Economic System to Work at Its Best</p>	<p><b>a. Overview: Approach:</b>          Embed <b>Cost/Benefit</b> Principle in the decision making of Household &amp; of Business</p> <p><b>b. Competitive Goods Markets (Product, Output)</b>          i. Household:          1. <b>MU<sub>x</sub></b> vs <b>P<sub>x</sub></b>          2. Rational Spending Rule <b>MU<sub>x</sub>/P<sub>x</sub> = MU<sub>y</sub>/P<sub>y</sub></b>          3. Marginal Rate of Substitution (<b>MRS = MU<sub>x</sub>/MU<sub>y</sub></b>) vs. <b>Relative Price (P<sub>x</sub>/P<sub>y</sub>)</b>          * <b>Law of Diminishing MU (MRS)</b> + Substitution+Income Effects → Law of Demand          ii. Firm:          1. <b>P</b> vs. <b>MC</b>          * <b>Law of Diminishing Returns</b> → Increases Opportunity Cost → Law of Supply in Short Run          iii. Role of Economic Profits in Leading To Long Run Equilibrium          iv. Efficiency of Long Run Equilibrium Goods Markets View          * Right Amount &amp; Best Mix at Least Cost          *. <b>MU<sub>x,society</sub></b> vs. <b>MC<sub>x,society</sub></b> ..Society’s Cost/Benefit Balance for the Right Amount of X</p> <p><b>c. Competitive Resource Markets (Raw Materials, Inputs)</b>          i. Household:          1. <b>MU<sub>leisure</sub></b> vs <b>Wages</b>          * <b>Substitution + Income Effects</b> → Resource Supply          ii Firms:          1. <b>VMP</b> vs <b>P<sub>resource</sub></b>,          * <b>Law of Diminishing Returns</b> → Resource Demand          ** Resource prices: labor-wage rate, land-rental rate, capital-interest rate)</p> <p><b>d. Efficiency Is the Result:</b> Competitive Markets yield <u>least cost</u> for <u>right amount</u> of X</p> <p>i. <math>Q_x^d = Q_x^s</math> ..... No surplus i.e. no waste</p> <p>ii. <math>P_x = \min LAC_x</math>.....No Economic Profits</p> <p>iii. <math>MU_x = P_x = MC_x</math> .....</p> <p>iiib. From resource side: <math>P_x * MP_{labor} = W = MU_{leisure}</math></p> <div style="display: flex; align-items: center; justify-content: center;"> <div style="margin-right: 20px;"> <p>} Least Cost</p> <p>} Right Amount</p> </div> <div style="font-size: 2em;">}</div> <div style="color: green; font-weight: bold; font-size: 1.2em;">EFFICIENCY</div> </div>
<p>2c. Lose a Pillar Leads to Market System to Fail to Work @ Its Best</p>	<p><b>a. Market Power Present: Lack Lots of B/S so Monopoly hence <math>MU = P &gt; MC</math></b>  <b>b. Externalities: Property Rights Not (or poorly) Defined hence <math>MU = P &lt; MC_{social}</math></b>  <b>c. Public Goods: Property Rights Can Not Be Enforced hence <math>MU_{social} &gt; P = MC_{private}</math></b>  <b>d. Asymmetric Information: Unequal information by buyers &amp; sellers hence <math>MU \neq P \neq MC</math></b></p>
<p>5. Equity in Mkt Sys</p>	<p><b>a. Income Distribution; b. Government’s Role:</b> property rights! taxes? regulator? stabilizer?</p>

## Expectations: [Click to Return Home](#)

1. All assignments will be **read before class**. Think how many times you have seen your favorite movie. With each viewing, you understood more. Economics is the same way. Each time you work through the material you understand more clearly. So read before coming to class, then in class it is your 2<sup>nd</sup> time through. Then when you study after class it is your 3<sup>rd</sup> time through. Engage in this process and the material jells.

2. That you will **read effectively**: First preview (intro & summary). Second observe headings. They are the outline! Third read with pencil in hand to jot down questions, to work out explanations, to try graphing on your own, and to do in-chapter exercises. Fourth distill, synthesize, compare & contrast, summarize. Fifth, work end-of-chapter problems, answer end-of-chapter questions.

3. **Do 2 for 1**--study 2 hours for every hour in the class (i.e. reading effectively, outlining, synthesizing, reflecting on confusions, discussing with a study buddy, formulating questions for class, doing in-chapter exercises, doing homework tasks...)

3. Students will **recognize and identify** confusion and **ask trim** as opposed to flabby **questions**.

4. **Use office hours** without delay...when confusion emerges, unresolved questions persists, an interesting question arises, or whenever you want.

5. **You will do more for yourself as the semester progresses**. As the semester progresses you will become more at home with economics and the structured way economists think. So you can do more on your own. Specifically: [a] you will be thinking about and writing your Economic Naturalist essays and [b] you will have more responsibility to gain exposure to economic definitions and concepts as less class time will be devoted to the coverage of an each new topic after the first exam. These two factors [a] & [b] combined with the usual sense of acceleration of a semester especially towards the end transfer ever more responsibility on you.

### 6. You will appreciate that Economics is challenging and you will engage the challenge!

A. It draws on many disparate talents. As John Maynard Keynes observed: an economist must be "mathematician, historian, statesman, philosopher "...He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near the earth as a politician." John Maynard Keynes, "Alfred Marshall," in *Essays in Biography, in the Collected Writings of John Maynard Keynes*, vol. x (London and New York: Macmillan/St. Martin's Press for the Royal Economic Society, 1972), p 173.

B. It is a structured way of thinking.

C. Economics is cumulative.

D. It takes study time! Often students tell me, "Professor I get it when you explain it in class but then when I go to study this stuff, it is all jumbled and confused." This reminds me of something. When I watch the Olympic figure skaters, skating appears so easy. Then I try to skate as they did. I scrape along and fall often. The smooth flowing glides are absent. In a sense, my skating is all jumbled and confused. Then I realize that they have spent many hours in practice to become accomplished. And that they practice even more to become Olympians. Their accomplishment is the fruit of their many hours. Remember that I make it look easy and make it understandable because just as the Olympic skaters spent many hours learning and practicing, in Economics I have too. I just have a head start on you. Economics as any discipline requires that you spend the time, and for many students more time than in many of their other courses.

E. I expect you to devote the time to meet the Economics challenge!

**If you read effectively the assignments before class, do 2 for 1, ask trim questions, get on the independent assignments (the Naturalist essays), and use office hours, then I know you can meet the challenge!**

## Academic Integrity [Click to Return Home](#)

Each student is expected to adhere to the highest standards of academic integrity. Any student who does not will be penalized severely. In the past the penalty included but was not necessarily limited to a score of zero on the task in question. There can be other sanctions Prof. Alonzi deems appropriate including failure of the course. Conduct that fails to adhere to the highest level of academic integrity includes but is not limited to dishonesty, cheating, plagiarism, and forgery. See pages 30 & 31 of the 2012-13 Dominican University Undergraduate Bulletin for the University's Academic Integrity Policy & definitions of dishonesty, cheating, plagiarism, forgery, misuses of university documents or dishonest acts at:

[https://jicsweb1.dom.edu/ICS/icsfs/UG\\_Bulletin\\_2012-2013.pdf?target=e6631ae8-f1d9-44fb-89b0-07757be25fb6](https://jicsweb1.dom.edu/ICS/icsfs/UG_Bulletin_2012-2013.pdf?target=e6631ae8-f1d9-44fb-89b0-07757be25fb6)

## Statement Concerning Students with Disabilities:

The Dean of Students office serves students with learning, hearing, visual, or mobility impairments and other disabilities. If you feel any arrangements need to be made to maximize your educational experience please [1] **contact the Dean of Students immediately** in Lewis Hall 132 and [2] inform me *at the beginning* of the semester. NOTE: **Needs must be documented officially through the Dean of Students Office.** Once needs are documented officially, I will do everything I can in accordance with university guidelines and with the guidance of the Dean of Students office to accommodate that student so that they have the opportunity to succeed in my class.

## Grading/Assignments (cont.) [Click to Return Home](#)

### Basis of the Grade

Your grade will be earned on the basis of the following assessment opportunities: three midterm exams, a final exam with two parts (an oral exam and a written exam essay), ten homework sets written up in your homework journal, two economic naturalist essays, and your personal assessment of participation. The following table gives the percentages & points for assessment opportunities.

Homework Journal 7 Homework Sets @ 30 pts each	Before Class Quizzes (BCQ) 10 quizzes @ 14 pts each	Exam #1	Exam #2	Final Exam Essay	Final Exam Conversation (Oral Exam)	Economic Naturalist Essay #1	Economic Naturalist Essay #2
<b>21.0%</b>	<b>14%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>7.5%</b>	<b>10%</b>	<b>10%</b>
<b>210 pts</b>	<b>140 pts</b>	<b>125 pts</b>	<b>125 pts</b>	<b>125 pts</b>	<b>75 pts</b>	<b>100 pts</b>	<b>100 pts</b>

### Grading Scale

POINTS	GRADE
1000-900	A
900-870	A-
870-850	B+
850-770	B
770-750	B-
750-730	C+
730-670	C
670-650	C-
650-600	D
Under 600	F

### Homework: [Click to Return Home](#)

- There will be **7** homework problem sets each worth a maximum of **30** points. Most sets are drawn from end-of-chapter questions or problems.
- You are required to write and keep all your homework in a spiral notebook (50 page notebook should be sufficient number of pages). That is you will have a homework journal. This homework journal notebook is **A SEPARATE ONE FROM YOUR COURSE NOTEBOOK.** Homework handed in any other form will not be accepted.
- Homework is due in class on the date designated in reading assignments. You will hand in your journal at the end of the sessions indicated in the reading assignment schedule that follows.
- You may work together on homework! But** each student in a group should participate fully.
- Each student must hand in his or her own assignment (written by him/her).
- Late homework is unacceptable and is automatically assigned 0 points**  
(if you are sick send your notebook with a classmate or scan and email).
- 30** points will be awarded to each homework set that exhibits:
  - honest **effort**,
  - is **done neatly**, and
  - is **received on time**.

However, fewer than **30 points** can be assigned if Prof Alonzi sees deficiency in honest effort or neatness. Late homework is not accepted and earns a zero.

## **Before Class Quizzes (BCQs)**

The plan calls for 10 before-class reading quizzes each worth 14 points. Each quiz will be multiple choice and based on the readings for the session it immediately precedes. You will access the quiz via Canvas.

## **Midterm Exams:** [Click to Return Home](#)

1. All exams are the work of the individual student (non-cooperative) and **closed book**.
2. Format. **I plan** to use questions and problems from the end of the chapters as well as in chapter exercises for Exams 1 and 2. (Note: the exams in this course are different than the **short answer** tasks I use in non-honors principles of economics courses. Those short answer tasks included but were not limited to defining terms, listing items, computing values, relating concepts, distinguishing between concepts, drawing & explaining diagrams, and explaining the significance of concepts.)
3. During exams
  - 3a. You may use simple calculators with the functions of addition, subtraction, multiplication, & division.
  - 3b. **Prohibited items during exams include but are not limited to:**
    - A. any electronic device that can convey information pertinent to the course (other than simple addition, subtraction, multiplication, and division). Examples of electronic devices include: cell phones, calculators (with alpha as well as numeric storage capabilities or with formula storage capability such as but not limited to TI-37 or above), and personal digital assistants.
    - B. Books, notes, or any other source of information.
    - C. Water bottles, food, hats, and wristbands.
4. You may not leave the testing room once an exam has begun. (Use the bathroom before coming to class.)
5. **A makeup exam is a privilege not a right. It is reserved for only the most extraordinary, dire, and extreme situations. If Prof Alonzi determines that a makeup exam is warranted, then it will be administered during final exam week.**

## **Final Exam:** [Click to Return Home](#)

The final exam's format is different than midterm exam format. The final will have two parts.

*Part One* is an Oral Exam. It will draw from the list of Challenge questions/tasks found on [page 12](#) below. It is planned that this oral exam will be conducted during the final exam period.

*Part Two* is a written essay of no more than 500 words. Be thorough and complete! 500 words is short so to be thorough and complete you must be concise. Being concise takes much work! This essay is due no later than the beginning of our course's the final exam session on [TBA](#). You will hand in a hard copy to Prof. Alonzi and also an electronic copy via Turnitin.com (more on Turnitin.com below). It must be typed (word processed), double spaced in 10 point Arial font with 1" margins. Your essay must be no longer than 500 words.

### **\*\* Penalty for a Tardy Final Exam Essay \*\***

If the assignment is 1 day late the penalty is a deduction of 40% of total point possible for the assignment.

If the assignment is 2 days late the penalty is a deduction of 80% of total point possible for the assignment.

If the assignment is 3 days late the penalty is a grade of 0 points.

Note a partial day late counts as a full day late.

## **Course Evaluations:**

Near the end of the semester you will be asked to evaluate this course in an anonymous online form on myDU. Participating in the course evaluation is an important aspect of being a member of the Dominican community. We all, students and instructors alike, rely on feedback so that we might grow and improve. Dominican instructors are always looking for ways to improve student learning and we can't do it without your feedback and comments. Since the course evaluation is electronic, it can be completed at your convenience, outside of class. Although it is accessed using your Dominican username and password, all responses are submitted anonymously. Course instructors are not provided access to their course evaluation reports until after final course grades have been submitted to the Registrar's Office, so you should feel confident in providing candid feedback, knowing that your evaluation will not affect your course grade.

**Economic Naturalist Short Writing Assignments** (Much Thanks to Prof Frank for this description) [Click to Return Home](#)

An important part of your experience in this course will be two short writing assignments designed to foster your skills as an economic naturalist. In each of these papers, your assignment is to use a principle, or principles, discussed in the course to explain some pattern of events or behavior that you personally have observed. Numerous examples are discussed in the text.

Your space limit is 500 words (This explanation of the Economic Naturalist assignment is 357 words). Many excellent papers are significantly shorter. Please do not lard your essay with complex terminology. Imagine yourself talking to a relative who has never had a course in economics. The best papers are ones that would be clearly intelligible to such a person, and typically these papers do not use any algebra or graphs. You need not include a bibliography.

This assignment is neither a term paper nor a Ph.D. dissertation. You are not expected to do voluminous research in support of your argument, although a relevant fact or two might help convince yourself and others that you are on the right track. It makes no difference whether your topic is "important," but try, as best you can, to choose something interesting. A really successful paper is one that begins with a really interesting question (one that makes the listener instantly curious to learn the answer) and then uses an economic principle or principles to construct a plausible answer. You'll know you have a good paper if the first thing your roommate wants to do upon reading it is to tell friends about it.

The first Economic Naturalist Writing Assignment is due at the beginning of class on **Thursday October 12**, and the second Naturalist Essay is due at the beginning of class on **Thursday November 16**. The assignments must be **typed, double spaced in 10-point Arial font with one-inch margins on the Top, Left and Right but ½-inch margin at the bottom, 500 words or less, and should be one page one side.** [See format on page 15.](#)

**Handing in your essays:** You will hand in your essays in two ways: hard copy at the beginning of class and electronically via Turnitin.com before class. (More on Turnitin.com is provided below.) Since your essays will be reviewed by your classmates and several will be presented in class **bring 4 hardcopies** to class on the due date to facilitate the process.

**\*\* Penalty for a Tardy Economic Naturalist Essay \*\***

If the assignment is 1 day late the penalty is a deduction of 40% of total point possible for the assignment.  
 If the assignment is 2 days late the penalty is a deduction of 80% of total point possible for the assignment.  
 If the assignment is 3 days late the penalty is a grade of zero points.  
 Note a partial day late counts as a full day late.

**Turnitin.Com** [Click to Return Home](#)

You are to submit your Economic Naturalist essays to Turn It In.com via Canvas in addition to submitting a hard copy to Prof. Alonzi! Submission deadline for an assignment is the same for the Turnitin.com submission as for the hardcopy submission.

**Other Materials for the Course:**

1. **REQUIRED for homework journal: Spiral bound notebook** approved by Prof. Alonzi.
2. We will be using graphs in the course. You will find useful **colored pencils (or pens)** and a straight edge.

## Planned Reading Assignments REVISED 6/16/17 Econ 190 Honors

Revised reading assignments will be posted if the need arises. Check the date in the upper left-hand corner to assure you have the most recent reading assignments.

6/16/17	<b>Planned Reading Assignments</b> <a href="#">Click to Return Home</a> Reading assignments for each session indicate focus for that session. BUT make sure you read end of chapter summaries and concept check answers even if those pages are not listed in reading assignments.	<b>Minimum Assignment</b> <b>Frank Textbook 6<sup>th</sup> Edition</b>  1. Read in 6 <sup>th</sup> edition in black 2. Do Before Class Quizzes (BCQ) Course Videos by Prof A will be made available after August 15—watch for notification of their availability. Their planned placements are listed below by CV
Session/Date	Topic	Minimum Assignment
	Course Prework... <a href="#">Reading Graphs</a> and read syllabus	Appendix pp 21-31
#1/ Aug 29 Tues	<b>Course Organization</b>	Syllabus
#2/ Aug 31 Th	<b>Thinking Like an Economist: Scarcity &amp; Crew</b> <i>*Opportunity Cost, Decisions, Circular Flow</i> <i>*Cost-Benefit Principle</i>	Ch 1 pp 1-13, & Summary p 17 <b>Do BCQ #1</b> <b>CV</b>
#3/ Sept 5 Tues	<b>Ch 1 Review Questions, Problems:</b> <b>Thinking Like an Economist</b>	<b>Hmwk #1 Due</b> pp 18-20 Problems: 2, 5, 7, 3 Questions: 1, 3
#4/ Sept 7 Th	<b>Economic Naturalist:</b> <b>Be prepared to discuss questions to right →</b>	Ch 1: pp 14-17 1. Why do the keypad buttons on drive-up automatic teller machines have Braille dots? 2. Why do people still use paper money in 2016? 3. Why did people turn to 4-cylinder cars in the 1970s, only to return to 6- & 8- cylinder cars in the 1990s? 4. Why do ATMs only issue \$20 bills? 5. Why do we continue to emit carbon into the atmosphere if carbon emissions contribute significantly to global warming? 6. Why do Republicans and Democrats seem always to be arguing over which spending to increase: defense or social safety-net?
#5/ Sept 12 Tues	<b>Comparative Advantage Principle</b> <i>* It's opportunity cost ratios &amp; their reciprocals</i> <b>Comparative Advantage Illustrated</b> <i>* Production Possibility Frontier (PPF)</i> <i>* Increasing Opportunity Cost</i>	Ch 2: pp 33-53 + p 54 summary <b>Do BCQ #2</b>
#6/ Sept 14 Th	<b>Ch 2 Review Questions, Problems:</b> <b>Comparative Advantage</b> <a href="#">Click to Return Home</a>	<b>Hmwk #2 Due</b> pp 55-57 Prob 1, 3, 4, 5 & extra probs A & B on page 17 of Syllabus Q 1, 4
#7/ Sept 19 Tues	<b>How a Market Works at Its Best:</b> <i>* What's Competitive? Demand? Supply?</i> <i>* Whence Equilibrium?</i> <i>* Do Price Controls Matter?</i> <i>* Thinking HORIZONTALLY</i> <i>* How P &amp; Q Respond to Shocks [not Ceteris Paribus]</i> <i>* 6 step method: Equilib. Shock, Shift, New Equilib.</i>	Ch 3: pp 59-72, & summary on p 86 <b>Do BCQ #3</b> <b>CV</b> Ch 3: pp 73-82

	<p>* 9 Cases Scorecard  <b>Idea (not essay) for Econ. Naturalist Essay #1 Due On Thursday September 21</b></p>	
#8/ Sept 21 Th	<p><b>How a Market Works at Its Best: PRACTICE</b>  *Analysis of a Newspaper Article of A Market in Action  * Model Method: Equilibrium, Shock, Shift, New Equilibrium  <b>How a Market Works at Its Best: EFFICIENCY</b>  * vs. Equilibrium  * Markets and Social Welfare  * Think VERTICALLY → CASH ON THE TABLE  <b>Idea (not essay) for Econ. Naturalist Essay #1 Due</b>  <b>Short Typed statement of your idea – just several sentences</b></p>	<p>West Wing Video  <b>Do BCQ #4</b>    <b>Idea (not essay) for Econ. Naturalist Essay #1 Due—Typed</b>  Ch 3: pp 83-85, and  Review pp 64-65 on vertical interpretation of D &amp; S curves</p>
Sept 26 Tues	<b>Caritas Veritas Symposium</b>	
#9/ Sept 28 Th	<p><b>Ch 3 Review Questions, Problems:  How a Mkt Works @ Its Best</b></p>	<p><b>Hmwk #3 Due</b>  p 87-90  Prob 1,2,6,8.9 &amp; Extra problem C on page 17 of syllabus  Q 1,2,4</p>
#10/ Oct 3 Tues	<b>Exam #1: (Ch 1-3)</b>	
#11/ Oct 5 Th	<p><b>How Competitive Market Works:  Price Elasticity of Demand</b>  * Responsiveness  * Simple Formula  * Elasticity is Not Slope  * Calculating Elasticity  * Elasticity and Total Revenue  * Beyond Price Elasticity of Demand:  to 3 more: Cross Price, Income, &amp; Supply  <b>Coming Up: Economic Naturalist Essay #1  Due Next Thursday October 12</b></p>	<p>Ch 4: pp 93-102  Summary on pp 114-115  <b>Do BCQ #5</b>  <b>CV</b>    Ch 4: pp 103-114</p>
#12/ Oct 10 Tues	<p><b>Ch 4 Review Questions, Problems:  Elasticity</b></p>	<p><b>Hmwk #4 Due (Note to Be Adjusted)</b>  pp 115-118  Prob 3, 5,8, 6  Q 2, 3, 4</p>
#12/ Oct 12 Th	<p><b>Economic Naturalist Essay #1 +  2 minute presentation on your Question,  Principle Application</b></p>	
#14/ Oct 17 Tues	<p><b>How Market System Works @ Its Best:  Behind Household Demand #1</b>  * Cost Benefit Principle Applied  <b>MB vs MH</b>  * 1<sup>st</sup> way: <math>MU_x</math> vs <math>P_x</math> → Law of Demand  * 2<sup>nd</sup> way <math>MU_x/P_x</math> vs. <math>MU_y/P_y</math> → Substitution    <b>Consumer Surplus on your own.</b></p>	<p>Ch 5: pp 121 to top half of 138 &amp;  Summary on pp 141-2    <b>Do BCQ #6</b>    <b>CV</b>    <b>Consumer Surplus pp 138-141</b></p>
#15/ Oct 19 Th	<p><b>How Market System Works @ Its Best:  Behind Demand #2 (Finish #1)  Behind Firm Supply #1 (Start Supply)</b>  * Low Hanging Fruit &amp; Production  * Opportunity Cost of what I do?  * Marginal Benefit vs Marginal Hurt</p>	<p>Ch 6: pp 147-151,  Summary on p 168    <b>Do BCQ #7</b></p>



#16/ Oct 24 Tues	<p><b>How Market System Works @ Its Best: Behind Supply #2 (Finish #1)</b> * Law of Diminishing Returns &amp; Increasing O/C <i>Remember Producer Surplus pp. 168-69 on your own!</i></p>	
#17/ Oct 26 Th	<p><b>Behind D &amp; S Homework #5 Ch 5 &amp; 6 Review Questions, Problems: Household Demand and Firm's Supply Are Both <math>\leftrightarrow</math> Applied Cost Benefit Principle</b> <a href="#">Click to Return Home</a></p>	<p><b>Hmwk #5 Due</b> I will cull D questions &amp; add S Q's &amp; Probs pp 142-143 Prob: 3, 4, 5, 6, 9, 10 Q: 1, 3 <b>CV</b></p>
#18/ Oct 31 Tues	<p><b>Exam #2: (Ch 4 &amp; 5 and parts of 6)</b></p>	
#19/ Nov 2 Th	<p><b>Market at its Best <math>\rightarrow</math> Market Efficiency</b>  vs  <b>Market Fails - A Common Thread Wedges</b>  <b>Failure #1 <math>\rightarrow</math> Externalities</b></p>	<p><b>Do BCQ #8</b> I will add Efficiency Readings</p> <p>Common Thread in Alonzi Condon Article on Canvas</p> <p>Externalities Ch 10: p 273 to top p 277 p 281 to top 291 &amp; Summary on p 296 &amp; Environmental topics &amp; pp 361-365 &amp; p 391</p>
#20/ Nov 7 Tues	<p><b>Coase</b></p>	<p>Ch 10: p 277 to top p 281</p>
#21/ Nov 9 Th	<p><b>How Market System Fails #2: <u>Market Power of Monopoly</u></b> *Structure: What is a Monopoly? * Conduct: What is look of Monopoly Graph MR! Set <math>Q^*</math> where <math>MR = MC</math> and Set <math>P^*</math> to sell exactly <math>Q^*</math> * Performance: <math>MU &gt; MC</math> * 3 Diffs from Perf Comp.: Shape of Demand, <math>P</math> vs <math>MR</math>, <math>MR = MC</math> <i>Coming Up: Economic Naturalist Essay #2 Due Next Thursday November 16</i></p>	<p>Ch 8: p 209 to top of 225 especially pp 218-225 plus Summary on pp 237-238</p> <p><b>Do BCQ #9</b>  <b>CV</b></p>
#22/ Nov 14 Tues	<p><b>How Market System Fails #2: <u>Market Power of Monopoly</u></b> * In class problem set: Combining the potato chip producers</p>	<p>Ch 8: as above plus pp 234-238 <b>Hmwk #6 Due</b> <b>Ch 8: pp 238-42</b> <b>Prob: 2, 3, <u>7a-c</u>, 9</b> <b>Q: 2, 5</b> Ch 8 in 5<sup>th</sup> ed. (9 in 4<sup>th</sup> ed) Review Questions &amp; Problems: Monopoly</p>
#23/ Nov 16 Th	<p><b>Economic Naturalist Essay #2 Due + 2 minute presentation on your Question, Principle Application</b></p>	
#24/ Nov 21 Tues	<p><b>How Market System Fails #3: <u>Public Goods due to Unenforceable Property Rights</u></b>  <b>How Market System Fails #4: <u>Lack Perfect Information</u></b> * Asymmetric Info, Agency Prob., Moral Hazard * Financial Crisis of 2007-08 * Tragedy of the Commons &amp; <del>Positional</del> Externalities</p>	<p>Ch 14: pp 379-396 &amp; summary on p 399</p> <p>Ch 11: Summary on p 321 p 301 to top of p 302 p 309 from Asymmetric Info to top p 312 &amp; read p 317 on Adverse Selection &amp; Moral Hazard</p>
November 23 Th	<p><b>Thanksgiving Holiday</b></p>	

25/ Nov 28 Tues	<p><b>Cost, Profit, Long Run Signals</b> <b>When 9 Pillars of Perfect Competition</b></p> <ul style="list-style-type: none"> <li>* Firm's Goal is Profits</li> <li>* Mother Nature Charges More? !!!</li> <li>* Relating Law of Diminishing Returns &amp; Marginal Cost!</li> </ul> <p><b>How Market System Works @ Its Best:</b> <b>Behind Firm Supply #2</b></p> <ul style="list-style-type: none"> <li>* Firm's Decisions: MB vs. MH</li> <li>* Supply comes from firm's MB vs. MH: P vs. MC</li> </ul>	<p>Ch 6: p 151 bottom to p 155 table 6.2 <b>Do BCQ #10</b> <b>CV</b></p> <p>Ch 6: pp 155-166</p> <p><b>CV</b></p> <p><b>To be revised</b> <b>Ch 6 Review Questions, Problems: Firm Supply is Cost-Benefit Principle Applied Again Hmwk #6 Due</b> pp 169-173 Prob: 1, 3, 4, 5, 7, 8 Q: 1, 2, 3</p>
#26/ Nov 30 Th	<p><b>Cost, Profit, Long Run Signals</b> <b>How Market System Works @ Its Best:</b> <b>Behind Firm Supply #2</b></p> <ul style="list-style-type: none"> <li>* The Alphabet Game of Short Run Costs Seeing</li> <li>* Seeing Economic Profits in the Short Run</li> <li>* Short Run Equilibrium and Efficiency</li> </ul>	<p>Ch 6: p 155 bottom to p 166</p> <p><b>Producer Surplus pp 166-168</b></p>
#27/ Dec 5 Tues	<p><b>How Market System Works @ Its Best:</b> <b>Efficiency in Long Run</b></p> <ul style="list-style-type: none"> <li>* Role of Economic Profits (or Losses) as a Signal</li> <li>* The Invisible Hand in Action!</li> <li>* Role of Economic Profits (or Losses) as a Signal</li> <li>* The Invisible Hand in Action!</li> </ul> <p><b>Problem A: Explain carefully why, in the absence of a patent, a technical innovation invented and pioneered in one tofu factory will cause the supply curve for the entire tofu industry to shift to the right.</b></p> <p><b>Problem B: What will finally halt the rightward shift?</b></p>	<p>Ch 7: p 175 to top of p 187 Summary on pp 202-203</p> <p><b>CV</b></p> <p>Ch 7: pp 191-202</p> <p><b>Hmwk #7 as In Class Exercise:</b> Prob A &amp; B to right</p> <p><b>To be revised Plus Ch 7 Review Question/Problem Hmwk #7 Due</b> pp 203-207 Prob 2, 3, 6, 8 Q 1, 5,</p>
#28/ Dec 7 Th	<b>Conversations with Prof Alonzi</b>	
#29/ Dec 12-17 Final Exam Week	<b>Final Exam Date to be announced</b>	

Undone **How a Market System Works: Resource Markets [1] Resource Markets Labor and [2] Market Capital Market**, Investment, & Economist's Different Definition of Investment, Financial Capital—Loanable Funds—Funds acquired via Stocks & Bonds; Real Capital —Buildings, Machinery, Vehicles, Tools, Roads, Brains  
Investment —Addition to Real Capital Financed by **Stock & Bonds** Issuance

### Concise Topics by Date

SESSION/DATE	TOPIC
#1/ Aug 29 Tues	Organization
#2/ Aug 31 Th	Econ Facts of Life and Cost Benefit Principle Game
#3/ Sept 5 Tues	Hmwk #1
#4/ Sept 7 Th	Economic Naturalism
#5/ Sept 12 Tues	Comparative Advantage #1
#6/ Sept 14 Th	Comparative Advantage Hmwk #2
#7/ Sept 19 Tues	Demand and Supply #1
#8/ Sept 21 Th	Demand and Supply #2
<p>Sept 26 Caritas Veritas Symposium</p> <p><i>The Caritas Veritas Symposium is held all day Tuesday September 26. There are no classes. The university community takes this day to contemplate who we are, what we do, where we do it, how we do it, when we do it, and why we do it. We intentionally pause to touch the source from which all our thoughts and actions flow and towards which all our thoughts and actions aim. It is not part of our course. I believe it is the foundation &amp; so more important than the course. It is worth finding time in your schedule. I invite you to the Symposium.</i></p>	
#9/ Sept 28 Th	Demand and Supply Hmwk #3
#10/ Oct 3 Tues	Exam 1 Ch 1-3
#11/ Oct 5 Th	Elasticity #1
#12/Oct 10 Tues	Elasticity #2 & Hmwk #4
#13/ Oct 12 Th	Econ Natl Essay #1
#14/Oct 17 Tues	Behind Demand #1
#15/ Oct 19 Th	Behind Demand #2 – finish demand Behind Supply #1S -- increasing Opportunity Cost approach
#16/Oct 24 Tues	Behind Supply #2 -- link Law of Diminishing Returns to O/C & MC
#17/ Oct 26 Th	Behind Demand & Supply Hmwk #5
#18/Oct 31 Tues	Ex #2
#19/ Nov 2 Th	Mkt Efficiency, Externality Book, Mkt Failure Article by Profs. Alonzi-Condon
#20/ Nov 7 Tues	Coase
#21/ Nov 9 Th	Monopoly #1
#22/Nov 14 Tues	Monopoly #2 Hmwk #6
#23/ Nov 16 Th	Econ Natl Essay #2
#24/Nov 21 Tues	Public Goods and Asymmetric Info
Nov 23	Thanksgiving
#25/Nov 28 Tues	Cost, Profit, LR #1
#26/Nov 30 Th	Cost, Profit, LR #2
#27/ Dec 5 Tues	Cost, Profit, LR #3 & Hmwk #7
#28/ Dec 7 Th	Conversations with Prof A
Dec 11-16 Final Exam Week	Final Essay Due In Our Course Exam Slot

The **final exam's** format is different than midterm exam format. The final will have two parts.

Part One is an Oral Exam. This oral exam will be conducted during the final exam period which at this writing is TBA. It will draw from the following list of Challenge questions/tasks:

Oral Exam Challenges:

Based on Textbook

1. List the seven principles of Economics with their statements, identify the principle you choose as the most important and defend why you think it is more important than each of the other principles.
2. Explain how a market works at its best.
3. Make the case for relying on markets to provision humanity daily (i.e. allocate resources efficiently among competing uses) and then make the case against relying on markets to provision humanity daily.
4. What is the proper role of Government in a market economy?
5. Should a market in carbon emission credits be established?

Final Exam Written Essay: The topic for this essay will be announced in class after the 2<sup>nd</sup> Midterm Exam.

Part Two is a Written Essay of no more than 500 words. This essay is due no later than the beginning of our course's the final exam session on TBA. You will hand in a hard copy to Prof. Alonzi and also an electronic copy via Turnitin.com (more on Turnitin.com below). It must be typed (word processed), double spaced in 10 point Arial font with 1" margins. Your essay must be no longer than 500 words.

Required Essay Heading:

(Your Name)

Final Exam Essay, Econ 190 Honors

(Assignment Date)

(Essay Title)

(Body of Essay)

Name \_\_\_\_\_ Econ 190 Graphing Diagnostic Exercise [Click to Return Home](#)

If you have trouble with this exercise or have any confusion, see Prof. Alonzi immediately.

1. The table below gives you information about the relationship between the price per coke-a-cola and the quantity of coke-a-colas a typical college campus of 2,000 students buys each week. Graph this relationship in the grid provided. Label all axes, label all points, and connect the dots.

Row	Price	Quantity
A	\$6	0
B	\$5	1,000
C	\$4	2,000
D	\$3	3,000
E	\$2	4,000
F	\$1	5,000
G	\$0	6,000


2. The relation given in the table above is a direct/inverse relation (circle the correct one)?

3. Calculate the slope of the line you drew in the grid. Show your work in the blank space to the right of the grid.

4. Now suppose there is a weeklong movie festival and the students increase the quantity that they are willing to purchase as shown in the table below. Graph the new relationship in the grid provided above. Clearly distinguish this new relationship from the one you graphed for the first question.

Row	Price	Quantity no movie festival	Quantity during movie festival
AA	\$6	0	1,000
BB	\$5	1,000	2,000
CC	\$4	2,000	3,000
DD	\$3	3,000	4,000
EE	\$2	4,000	5,000
FF	\$1	5,000	6,000
GG	\$0	6,000	7,000

5. The table below gives you information about the relationship between the price per coke-a-cola and the quantity of coke-a-colas the student grill is willing to sell each week. Graph this relationship in the grid provided. Label all axes, label all points, and connect the dots

Row	Price	Quantity no movie festival
T	\$6	6,000
U	\$5	5,000
V	\$4	4,000
W	\$3	3,000
X	\$2	2,000
Y	\$1	1,000
Z	\$0	0


6. The relation given in the table above is a direct/inverse relation (circle the correct one)?

7. Calculate the slope of the line you drew in the grid. Show your work in the blank space to the right of the grid.

8. Now suppose there is a weeklong movie festival and the student grill increases the quantity that it is willing to sell as shown in the table below. Graph the new relationship in the grid provided above. Clearly distinguish this new relationship from the one you graphed for the first question.

Row	Price	Quantity no movie festival	Quantity during movie festival
TT	\$6	<del>6,000</del>	7,000
UU	\$5	<del>5,000</del>	6,000
VV	\$4	<del>4,000</del>	5,000
WW	\$3	<del>3,000</del>	4,000
XX	\$2	<del>2,000</del>	3,000
YY	\$1	<del>1,000</del>	2,000
ZZ	\$0	<del>0</del>	1,000

Extra just to sense background/ability: write the equation for the line drawn for question #1 (i.e. the graph of the very first table).

Here is an example of the formatting, the heading and the body for your Economic Naturalist essay. Note since I used an essay other than an Economic Naturalist Essay (because I wanted to share some other thoughts with you while illustrating the format for the Economic Naturalist Essay—double duty so to speak) it is not an application of an economic principle and it is longer than your one page limit.

(Your Name)	Economic Naturalist Essay #1, Econ 101-03 Honors	(Assignment Date)
	(Essay Title)	
Loreto Alonzi	Economic Naturalist Essay #1, Econ 101-03 Honors	October 12, 2017
	Economics through Samuel's Telescope	

Economists exasperated President Truman. When he asked their opinion they would reply: “On the one hand this, on the other hand that.” Truman moaned “Give me a one-handed economist.” Life is complex: on the one hand is Truth and on the other Love. Holding both Truth and Love is essential.

On the one hand there is Truth. For Economists, truth involves working out scarcity's implications especially those of scarcity's children: opportunity cost, cost-benefit principle, and education.

Scarcity's children are as real as gravity. You meet opportunity cost, every Saturday night — do I go out with the group or with my significant other? If you go with the group, you forego being with your significant other (and vice versa). That is opportunity cost! What you forego when you choose. So how does one choose well? Benjamin Franklin suggested: take a piece of paper, list the positives on the left and negatives on the right. Then strike the balance. If benefits exceed costs, do it. If not, don't. Ben captured the kernel of the Cost-Benefit principle and the miserly Scrooge core of economics the “Economic Person Paradigm”.

For me another important part of truth in Economics is education. I do not teach economics. I tell stories. Tell stories to draw out from students what is within them. I educate—*e* for out and *duco* for lead, *e-duco* or lead out. For me the truth in economics lies in education facilitating each student's grasp of economic principles. I assist students as they work to grasp and apply economic principles in their decisions. As they apply the Cost-Benefit principle better, fewer resources are wasted, the burden of scarcity is lightened and they participate in creating of a just, humane world.

On the other hand there is Love. Scrooge is the image of the miserly “Economic Person” comparing costs and benefits heartlessly. So what's love got to do with Economics?

Everything! Everything as one realizes that the Sun warming us, the air inspiring us, the rain refreshing us, and the earth feeding us were not made by us. In contemplating the origins, one realizes that they are from the creating esse sourcing all, from Love.

Love transforms the anthropology of the Economic Person Paradigm. No longer is the “Economic

Person” the beginning and end deciding based on its me-myself-and-I. Rather the “Economic Person” is a creature emerging from source and re-merging with source. He/she is a steward of resources entrusted by source, esse, love. Native Americans realized this stewardship by choosing a course of action only if it is good for seven generations. Seven generations requires us to choose wisely. Since scarcity and opportunity cost are ever present, effective stewardship-decision-making requires learning and utilizing the Cost-Benefit principle effectively. Now, however, the goal is no longer [satisfying the appetite of] just me, myself, and I. Rather the creature "I" is the steward of the resources entrusted [to] her/him by God for the provisioning of society which includes the "I" but goes beyond the "I" to the common good.

The both-Love-and-Truth of DU's motto *Caritas et Veritas* is the core of Economics. *Caritas* is Latin for Love. Not the carnal experience of the song “What’s Love Got to Do with It” but rather limitless self giving. John writes (1 John 4:16): “God is love and those who abide in love abide in God, and God abides in them.” So *Caritas* is one resonance with God. At DU, the rose symbolizes *Caritas* and the heart. *Veritas* is the Latin for truth. John’s Gospel (14:6) quotes Jesus: “I am the Way, the Truth, and the Life. No one can come to the Father except through me.” So *Veritas* is another resonance with God. At DU the candle symbolizes *Veritas* and the mind.

The Sisters did not choose the easy path of either/or—either *Veritas* or *Caritas*. For DU’s motto they chose both/and—both *Caritas* and *Veritas*. A noted master of the Dominican order stresses the significance of both/and. Both/and is the dynamic tension between forces, the dialogue that keeps us properly headed, resonating with God. Without Truth, Love can devolve into coddling or a second hand emotion. Rigorous pursuit of Truth prevents love from devolving. Without Love, Truth could be corrupted to temporal power’s wants. Overflowing love expressed in compassionate service prevents corruption of Truth.

Great economists also embrace both/and. Adam Smith [The Wealth of Nations. (NY: Alfred A. Knoph, 1991), page 289] while championing the individual’s natural liberty, also requires government to restrain liberty which might endanger all society’s security. Smith rejects either individual or society choosing both/and. Alan Blinder’s book title puts well the challenge of economics: *Hard Heads, Soft Hearts: Tough-minded Economics for a Just Society*. That is *Caritas et Veritas* in action!



**Potential Extra Homework Problems: assignment #2:**

A. Ted can wax 24 cars per day or wash 12 cars. Tom can wax 32 cars per day or wash 16. What is each man's opportunity cost of washing a car? Who has the comparative advantage in washing cars?

B. Toby can produce 5 gallons of apple cider or 2.5 ounces of feta cheese per hour. Kyle can produce 3 gallons of apple cider or 1.5 ounces of feta cheese per hour. Can Toby and Kyle benefit from specialization and trade? Explain.

**Homework assignment #3 extra problems:**

C. What will happen to the equilibrium quantity and price of potatoes if population increases and a new, higher-yielding variety of potato plant is developed?

~~D. What will happen to the equilibrium quantity and price of apples if apples are discovered to help prevent colds and a fungus kills 10 percent of existing trees?~~

~~E. What will happen to the equilibrium quantity and price of corn if the price of butter (a complement) increases and the price of fertilizer decreases?~~