

EC 301

Intermediate Microeconomics

General Description

Overview and Introduction

Welcome! Intermediate Microeconomics continues the studies that you began in your course on the principles of economics. It also continues your study of households in their roles as suppliers of economic resources to business firms, and in their roles as buyers of consumer goods produced by business firms. In addition to producing consumer goods, firms pay households for the use of their productive resources. We will study how “exchange” is a commonplace activity.

Because it focuses primarily on market behavior, intermediate microeconomics sometimes is called “prices and markets.” It is a more thorough study of microeconomics and requires the application of basic algebra and calculus.

Tens of thousands of students all over the world enroll annually in intermediate microeconomics. It is useful, and sometimes required, for more advanced course work in economics, business management, public administration, law, and many other areas. Some students may expect this study to help them in their roles as citizens, householders, managers, and entrepreneurs.

Will studying and applying economic analysis in everyday decisions ensure your success? Not necessarily, by reason of two pervasive economic conditions: the rapid diffusion of technical tools such as economic principles and competitive behavior. Your rivals and teammates alike will have studied and adopted useful economic tools. So while economic understanding will not ensure your success, it could well be foolhardy to “step into the ring” without it!

General Description

This course can be interesting as well as useful. Economics deals with some very intriguing questions.

- Why are so many people in some nations poor and oppressed, while elsewhere other people are relatively free and prosperous?
- It seems that profit-taking could only increase production costs, and so raise prices. It also seems that not-for-profit firms are as easily, or more easily, organized as profit-seeking firms. How then could for-profit firms account for more than 90 percent production (by value) in the United States?
- Doesn't advertising increase a firm's costs? How did it happen that eyeglass prices fell when advertising bans were lifted?
- Would it be better for the government to make national plans for producing essential food, housing, energy, and health care?
- Why do earnings differ so much between workers?
- Why were many of Disney's owners and managers pleased that chief executive officer Michael Eisner was hired on terms that netted him hundreds of millions of dollars in compensation?
- How could large personal computer companies have been started by Michael Dell in his dorm room at the University of Texas, and by Stephen Jobs in his parents' garage? (One wit has advised: Find Stephen Jobs' parents' garage and get to work!)
- Will you be able to make better decisions when you can analyze how much you would be willing to pay for more information?

Course Objectives

This course will help you to understand much of the ordinary business of life, the economic activities that account for a big share of our time, attention, and effort.

Required Materials

The required materials for the course are:

- this course manual
- Walter Nicholson and Christopher Snyder, *Intermediate Microeconomics*, 10th edition (Mason, Ohio, 2007).

You may purchase this text from the Higher Grounds bookstore at the Friday Center using the book order form in this manual, or online at <https://s4.its.unc.edu/HigherGrounds/>.

Each lesson in the manual is to be prepared in sequence and mailed to Self-paced Courses using the enclosed submission forms. Each lesson draws heavily on the textbook. Successful completion of a lesson requires a careful reading of the textbook.

Optional Materials

The Wall Street Journal reports many developments in economics and business. Its news coverage and features are broader than its name implies. You can subscribe at student rates—contact *The Wall Street Journal* for more information.

Study Suggestions

In this correspondence course, you and the instructor create the learning experience with the written materials as you complete the lesson assignments and review the instructor's comments when your written assignments are returned. Since your learning depends so greatly on your use of the written course materials, this course manual was purposefully written relying almost entirely on the textbook.

How to proceed

In each lesson, you should first read the introduction to the lesson in this manual. Then read the chapter(s) assigned in the textbook. Note the key points and write down anything that puzzles you.

Jotting down a phrase and noting the questions you have is more useful than copious notetaking. Review the reading in the textbook and the course manual and answer the questions and problems in each chapter. Finally, tackle the written lesson assignment.

Practice Problems

A set of practice problems from the text is included in each lesson. The answers to these questions are in the back of your text. You do not need to submit these problems for grading.

**Written
Assignments**

The written assignments consist of multiple-choice questions, problems, and essays.

Essays

Your essays provide a good opportunity to show what you have learned. It's helpful to restate the question and to write out equations, tables, and graphs to help you organize your thoughts. Use the question's terms, write a concise answer, and then explain your answer in more detail. You may earn partial credit for correct reasoning even though your concise answer is imperfect. Double space both for legibility and to leave room for the instructor's evaluations and comments. Then, send it in!

Problems

Work out the problems on another piece of paper, leaving room for your instructor's suggestions, and highlight your answers.

*Multiple-choice
questions*

Answer the multiple-choice questions on one sheet of paper. Write or (better) type the answer you choose for each multiple-choice question. (If you use a word processor, it's a good idea to save your answers. They can be lost on the way to your instructor.)

When there seems to be no best answer among several more-or-less correct answers, say so and write down why you made your choice. You may get some credit for having thought productively about the problem even if you have not selected the best answer.

Review your graded assignment when it is returned; this will help you in subsequent assignments. Review will be more useful depending on how clear you have made your methods in the problem solutions and essays. Review refreshes memory and reinforces learning!

Avoid sending in several assignments at once. If you have gotten off the track and, before detecting the mistake, have submitted multiple assignments, you may get low grades on them.

**Grading and
Final Exam**

Your regular written assignments will count for two-thirds of your course grade, and your score on the comprehensive final exam will count for one-third of your course grade. The final exam will be a combination of multiple-choice and essay questions. It is a closed-book/closed-notes exam.

Use the form in the back of this manual to schedule your final exam. You must pass the final exam to earn a passing grade in the course.

A Final Word

Economics helps us explain and understand much of what people do much of the time. I hope that you will enjoy this course and put what you learn to good use in your life. Good luck!