

*George Mason University
Microeconomics 103
Spring Semester*

Professor Dr. Thomas Carl Rustici
Office Enterprise Hall Room 322
Hours MWF 9:30-10:15 am & 1:00-2:45 pm
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Objectives

The lectures and readings in this course are designed to familiarize students with the fundamentals of microeconomic theory. The central focus this course takes is an understanding of the process of price formation in a free exchange economy. Various market institutions such as: the firm, advertising, profit-loss mechanism, futures speculation, and property rights are explored for their role in the coordination of economic activity. Finally, these principles are applied to the larger issues of economic growth, environmental quality, and "political market dynamics" of representative democracy.

Grades

There are four exams in this course, three midterms and a comprehensive final. Make-up for exams is only permissible if the student notifies the instructor *before* the scheduled testing or because of extraordinary circumstances. All cases of unexcused absences for tests receive a zero. **THERE IS NO CURVE IN THIS CLASS.** Grades are based on 90% and up = A; 80 to 89% = B; 70 to 79% = C; 60 to 69% = D; 59% and lower = F. The course grade is weighted as follows:

Exam 1	15%
Exam 2	20%
Exam 3	25%
Final	40%

Required Texts *Microeconomics* by J.Gwartney & R.Stroup (GS)
Microeconomics: A Free Market Approach by
Thomas Rustici, Nathan Snow & Carrie Milton (RSM)
Principles of Economics by Carl Menger (CM)
Economics In One Lesson by Henry Hazlitt (HH)

A copy of the *Microeconomics: A Free Market Approach* will be placed on Reserve Desk at the Johnson Center Library for students to access. Many of the essays within this anthology of readings will be the basis for some of the required test questions as well as all extra credit questions offered on each exam. While students are not required to purchase the anthology, it is strongly suggested that students take advantage of this reading material.

Attendance

Regular attendance is absolutely crucial for successful completion of this course. A large portion of the test material comes from the class lecture. If for any reason regular attendance becomes difficult, inform me as soon as possible. Furthermore, I expect students to be on their best behavior while in class. This means no joking around, horseplay, excessive noise, eating or drinking etc. Disruptive students will be removed from the class and receive an immediate "F" for the course.

Honor

This course demands the highest standard of conduct. Cheating and plagiarism of any kind are *absolutely not tolerated*. Violation of this code results in an immediate failure for the course and a report to the GMU Honor Committee.

Note: Honors students will meet on Wednesday from 3:30 to 4:20 pm in Krug Hall Room 210 and discuss the assigned readings from *Microeconomics: A Free Market Approach*.

Also, honors students will have a required 5-7 page paper in applied economics due at the end of the semester that counts for 20% of the semester grade.

Week 1 *Spontaneous Order: The Big Picture*
(GS) Chapters 1-2
(HH) Chapters 1-3
(RSM) Section 1

Week 2 *The History of Economic Thought:
Aristotle Through The Classical School*

(CM) Chapters 1-2
(RSM) Section 2

Week 3 *The Neoclassical Revolution:
Marginalism and Subjectivism*

(GS) Chapter 3
(CM) Chapters 3-4
(HH) Chapters 8-10

Week 4 *The Law of Supply and Demand*

(GS) Chapter 4
(CM) Chapters 5-6
(RSM) Section 3

Week 5 *The Role of the Price System*

(GS) Chapter 7
(HH) Chapters 15-19
(RSM) Section 4

Exam 1

Week 6 *Opportunity Costs and Comparative Advantage*

(GS) Chapter 8
(RSM) Section 5

Week 7 *Exchange Rates, International Trade,
and Foreign Investment*

(GS) Chapter 16
(HH) Chapters 11-14

Week 8 *Production: The Economic Theory Of The Firm*

(GS) Chapter 9
(RSM) Section 6

Exam 2

Week 9 *Cost Curves and the Perfect Price Competition Model*

(GS) Chapter 10
(RSM) Section 7

Week 10 *Monopoly Theory and Antitrust Policy*

(GS) Chapter 11

Week 11 *The Economics Of Information*

(GS) Chapter 12
(RSM) Section 8

Week 12 *The Theory of Income Determination*

(GS) Chapters 13-15 & Special Topics 2-8
(HH) Chapters 20-22
(RSM) Section 9

Exam 3

Week 13 *Economics and the Environment*

(GS) Special Topics 9-10
(RSM) Section 10

Week 14 *Public Choice: The Economics of Politics*

(GS) Chapters 5-6 & Special Topics 1 & 3
(RSM) Sections 11-13

Final Exam May 10 10:30-1:15 p.m.