ECON 203
Principles of Microeconomics
Section 26320
Lectures on Tuesdays and Thursdays from 3:30pm to 4:45pm in SGM 101
Instructor: Brijesh P. Pinto
Office hours on Tuesdays from 10am–1pm in KAP 116E

This syllabus is 9 pages long. Read the entire syllabus carefully.

Quick Links

- Course Description
- Learning Objectives
- Textbook
- Course Outline
- Teaching Assistants
- Math
- Attendance
- Communication
- Discussion Sessions
- Blackboard
- Grading
- Conduct
- Support Systems
- Academic Integrity
- FAQ

1Email: brijeshp@usc.edu
Course Description

Microeconomics is the study of economic decision-making in the face of opportunity costs. We'll study standard tools of microeconomic analysis and use them to analyze the incentives that govern the actions of decision-makers in three classical settings: consumption, production, and trade between producers and consumers.

We'll begin with a basic framework for the exchange of goods, followed by fundamental microeconomic concepts such as opportunity costs and marginal analysis, then move on to theories of demand and supply. We'll pay close attention to different market structures such as competitive markets and monopolies. Of particular interest to us will be the reasons for market failure, as well as how markets may be altered to overcome these failures. Microeconomic analysis and reasoning are ubiquitously applied in industry and government policy—we'll therefore discuss applications of microeconomic principles continuously as we progress through the course material.

Learning Objectives

1. Learn classical microeconomic tools and frameworks
2. Apply microeconomic reasoning to analyze market phenomena
3. Utilize microeconomic principles to inform the design of markets and institutions
4. Understand why markets may fail and how market designers and regulators can overcome these failures
5. Develop quantitative reasoning and problem-solving skills

Textbook

The required textbook for this course is *Principles of Microeconomics* by Dr. Emma Hutchinson (2017). A PDF version of the textbook can be downloaded free of cost at [https://pressbooks.bccampus.ca/uvicecon103/](https://pressbooks.bccampus.ca/uvicecon103/).
## Course Outline

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Class</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 23</td>
<td>Tuesday</td>
<td>1</td>
<td>Basic Theory of Exchange</td>
</tr>
<tr>
<td>August 25</td>
<td>Thursday</td>
<td>2</td>
<td>Opportunity Cost and Marginal Analysis I</td>
</tr>
<tr>
<td>August 30</td>
<td>Tuesday</td>
<td>3</td>
<td>Opportunity Cost and Marginal Analysis II</td>
</tr>
<tr>
<td>September 1</td>
<td>Thursday</td>
<td>4</td>
<td>Trade I</td>
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<tr>
<td>September 6</td>
<td>Tuesday</td>
<td>5</td>
<td>Trade II</td>
</tr>
<tr>
<td>September 8</td>
<td>Thursday</td>
<td>6</td>
<td>Consumer Theory I</td>
</tr>
<tr>
<td>September 13</td>
<td>Tuesday</td>
<td>7</td>
<td>Consumer Theory II</td>
</tr>
<tr>
<td>September 15</td>
<td>Thursday</td>
<td>8</td>
<td>Demand I</td>
</tr>
<tr>
<td>September 20</td>
<td>Tuesday</td>
<td>9</td>
<td>Demand II</td>
</tr>
<tr>
<td>September 22</td>
<td>Thursday</td>
<td>10</td>
<td>Producer Theory I</td>
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<tr>
<td>September 27</td>
<td>Tuesday</td>
<td>11</td>
<td>Producer Theory II</td>
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<tr>
<td>September 29</td>
<td>Thursday</td>
<td>12</td>
<td>Problem-Solving I (Consumer Theory, Demand, Producer Theory)</td>
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<tr>
<td>October 4</td>
<td>Tuesday</td>
<td>13</td>
<td>Profit Maximization</td>
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<tr>
<td>October 6</td>
<td>Thursday</td>
<td>14</td>
<td>The Perfectly Competitive Firm</td>
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<tr>
<td>October 11</td>
<td>Tuesday</td>
<td>15</td>
<td>Midterm Exam Review</td>
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<tr>
<td>October 18</td>
<td>Tuesday</td>
<td>16</td>
<td><strong>Midterm Exam</strong></td>
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<tr>
<td>October 20</td>
<td>Thursday</td>
<td>17</td>
<td>Perfectly Competitive Markets I (Equilibrium and Welfare)</td>
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<tr>
<td>October 25</td>
<td>Tuesday</td>
<td>18</td>
<td>Perfectly Competitive Markets II (Price Controls and Taxes)</td>
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<tr>
<td>October 27</td>
<td>Thursday</td>
<td>19</td>
<td>Monopoly (Imperfect Competition) I</td>
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<tr>
<td>November 2</td>
<td>Tuesday</td>
<td>20</td>
<td>Monopoly (Imperfect Competition) II</td>
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<tr>
<td>November 4</td>
<td>Thursday</td>
<td>21</td>
<td>Problem Solving II (Perfectly Competitive Markets)</td>
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<tr>
<td>November 8</td>
<td>Tuesday</td>
<td>22</td>
<td>Problem Solving III (Monopoly)</td>
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<tr>
<td>November 10</td>
<td>Thursday</td>
<td>23</td>
<td>Stable Matching I</td>
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<tr>
<td>November 15</td>
<td>Tuesday</td>
<td>24</td>
<td>Stable Matching II</td>
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<tr>
<td>November 17</td>
<td>Thursday</td>
<td>25</td>
<td>Game Theory I</td>
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<tr>
<td>November 22</td>
<td>Tuesday</td>
<td>26</td>
<td>Game Theory II</td>
</tr>
<tr>
<td>November 29</td>
<td>Tuesday</td>
<td>27</td>
<td>Problem Solving IV (Stable Matching and Game Theory)</td>
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<tr>
<td>December 1</td>
<td>Thursday</td>
<td>28</td>
<td>Final Exam Review</td>
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<tr>
<td>December 13</td>
<td>Tuesday</td>
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<td><strong>Final exam from 2pm to 4pm</strong></td>
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Teaching Assistants

[TBD]

Math

This course doesn’t use calculus. No knowledge of calculus is assumed or required. ECON 203 qualifies as a quantitative-reasoning GE requirement and, therefore, problem solving and quantitative reasoning are key components of the course. We will frequently use the following basic mathematical concepts: (1) solving linear and quadratic equations in one variable; (2) equations of straight lines, and how equations change when the lines are shifted and/or rotated; and (3) ordinary arithmetic (relative and percentage changes, all the usual arithmetic operations).

Attendance

For both lectures and discussion sessions, attendance and participation are required, but do not carry formal course credit.

Communication

We’d like to get your questions answered as soon as possible. Thus, for questions related to course content, email your TA first. If you do email me, include “ECON 203” in the subject line, and CC your TA (unless you have an express reason not to do so, e.g., confidentiality).
Discussion Sessions

<table>
<thead>
<tr>
<th>Section Number</th>
<th>Day</th>
<th>Time</th>
<th>Location</th>
<th>Teaching Assistant</th>
</tr>
</thead>
<tbody>
<tr>
<td>26321</td>
<td>Tuesday</td>
<td>6pm–6:50pm</td>
<td>GFS 109</td>
<td>[TBD]</td>
</tr>
<tr>
<td>26322</td>
<td>Tuesday</td>
<td>6pm–6:50pm</td>
<td>KAP 159</td>
<td>[TBD]</td>
</tr>
<tr>
<td>26323</td>
<td>Friday</td>
<td>10am–10:50am</td>
<td>THH 214</td>
<td>[TBD]</td>
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<tr>
<td>26324</td>
<td>Friday</td>
<td>11am–11:50am</td>
<td>WPH 101</td>
<td>[TBD]</td>
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</tbody>
</table>

Your TA is the teaching assistant responsible for the discussion section for which you’re registered and is the person to whom you are primarily to direct all your content-related queries.

Blackboard

Blackboard will be the primary tool used for course administration, and you’re responsible for keeping up-to-date on all the information posted there. Blackboard will house all of the course content: announcements, OSAS information, problem set submission deadlines, problem sets, math review materials, lecture slides, and much more.
Grading

Attempting both the midterm as well as the final exam is mandatory. See the FAQ for more information. Your overall course grade is based on a “cumulative percentage score,” denoted $z$, and is determined as follows:

- **A**: $z$ is greater than or equal to 90
- **A-**: $z$ is greater than or equal to 83 and $z$ is less than 90
- **B+**: $z$ is greater than or equal to 76 and $z$ is less than 83
- **B**: $z$ is greater than or equal to 70 and $z$ is less than 76
- **B-**: $z$ is greater than or equal to 63 and $z$ is less than 70
- **C+**: $z$ is greater than or equal to 56 and $z$ is less than 63
- **C**: $z$ is greater than or equal to 50 and $z$ is less than 56
- **C-**: $z$ is greater than or equal to 40 and $z$ is less than 50
- **D+**: $z$ is greater than or equal to 33 and $z$ is less than 40
- **D**: $z$ is greater than or equal to 26 and $z$ is less than 33
- **D-**: $z$ is greater than or equal to 20 and $z$ is less than 26
- **F**: $z$ is less than 20

**There’s no rounding of final scores.** If your cumulative percentage score is 89.9999, that’s an A- and not an A. At the end of the semester, when final cumulative scores and course grades are posted, do not email me with a request that I round up your cumulative percentage score.

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**How your cumulative percentage score ($z$) is determined:** Suppose that (1) cumulatively in your best eight of the ten problem sets you’ve scored a total of $I$ points out of 80, (2) your midterm exam score is $J$ points out of 40, and (3) your final exam score is $K$ points out of 60. We first determine percentage scores as follows:

- Percentage score for problem sets: $i = \left(\frac{I}{80}\right)$
- Percentage score for the midterm exam: $j = \left(\frac{J}{40}\right)$
- Percentage score for the final exam: $k = \left(\frac{K}{60}\right)$

**How your overall course grade is determined:**

- We consider your best eight scores on the ten problem sets, and they (i.e., the best eight) account for 40% of your cumulative percentage score. (Thus, each problem set accounts for 5% of your cumulative percentage score).
- Your midterm exam score accounts for 25% of your cumulative percentage score.
• Your final exam score accounts for 35% of your cumulative percentage score.

The exact formula is

\[
z = 100 \times \left[ \left( \frac{40}{100} \times i \right) + \left( \frac{25}{100} \times j \right) + \left( \frac{35}{100} \times k \right) \right].
\]

Don’t miss the midterm or final exam: the consequences to your grade could be severe. Refer to the FAQ for more information about this.
Conduct

Discrimination, sexual assault, and harassment are not tolerated by the University. You are encouraged to report any incidents to the Office of Equity and Diversity or to the Department of Public Safety. This is important for the safety of the whole USC community. Another member of the university community—such as a friend, classmate, advisor, or faculty member—can help initiate the report, or can initiate the report on behalf of another person. Relationship and Sexual Violence Prevention and Services provides “immediate therapy services for situations related to gender and power-based harm (e.g., sexual assault, domestic violence, stalking).”

Support Systems

A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. For example, the American Language Institute “offers English language courses for those students who want to improve their English as well as those who are required to take classes as a result of taking the International Student English (ISE) Exam.” Disability Services and Programs (DSP) “is the unit at USC responsible for ensuring equal access for students with disabilities in compliance with state and federal law.” If an officially declared emergency makes travel to campus infeasible, USC Emergency Information will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

Academic Integrity

Your conduct in this course must be in full accordance with the principles of academic integrity described in Section 11 of the USC Student Handbook. Per the handbook: “All academic integrity violations will result in an academic consequence.” Thus, don’t cheat.

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3https://equity.usc.edu/
4https://dps.usc.edu/
5See “Relationship and Sexual Violence Prevention and Services,” available at https://studenthealth.usc.edu/sexual-assault/.
6https://ali.usc.edu/
7https://dps.usc.edu/
8https://dps.usc.edu/about-dsp/our-purpose-and-practice/
9https://emergency.usc.edu/
11Id., at p. 29.
Be civil, courteous, and respectful to your classmates.

Information provided in this syllabus is subject to change. If and when a change (however small) is made, an updated syllabus will be posted on Blackboard and the version (date) will be updated. Finally, ensure that you’re always looking at the most recent version of the syllabus.