

University of Colorado
Department of Economics

Spring 2008

Microeconomic Principles 2010-400, T-Th 3:30-4:45pm, Chem 140

P. Graves

Content:

Microeconomic principles 2010 introduces you to the "economic way of thinking." The central fact that underlies economics is the fact of "scarcity." By this it is meant that our wants exceed the goods freely available from nature--hence choices must be made among the many things we want. This leads to the fundamental economic questions, narrowly defined, which face all societies: What to produce? How to produce? al

observances, point this out to me and that date will be eliminated

on this important test!). I do require that those getting out of the final continue c

7) Can you explain it to others? [If you can explain it to others, perhaps in a study group, you will know it].

8) Have you worked on your self-confidenc

IV. CONSUMER CHOICE AND DEMAND

Note: we will do this material a bit differently from the book. Preference assumptions. Utility and the law of diminishing marginal utility. Rule of rational life. Can consumers do this (animal experiments)?

V. PUBLIC ECONOMICS

Externalities, public goods (including income distribution), common resources, Public choice theory: Will government do better? New theoretical material here (on public goods provision and optimal governmental institutions...not in any book, yet!) The market "wins"--but remember that giving the most of what people want (apart from the public goods problem raised) does not elevate those preferences... Public policy: car regulations, education, housing, cigarettes. Optimal tax systems.

(first midterm--after this material--the date will be voted on in class, with an eye to "optimizing" the d