Microeconomics in Context, Second Edition

Sample Course Outlines

The span of a term imposes severe constraints on what an instructor can teach. We believe that Microeconomics in Context, First Edition, can be used as the basis for a variety of approaches, depending on how much flexibility you have and how much time you would like to devote to topics and approaches that may be of particular interest to you and your students.

To help you choose the chapter assignments that make the most sense for your class needs, we have put together some ideas for course outlines. These appear below. Arranged in terms of broad “selections” and more specific “emphases,” they are designed to help you choose among chapters when you find that there is not enough time to cover everything that appears in Microeconomics in Context.

We understand that one primary objective of the introductory course in most departments is teaching in some detail “how (neoclassical) economists think.” For those instructors who either must or choose to focus exclusively on neoclassical content, the most traditional combination of the selections described below—the “base chapters,” combined with some or all of the “neoclassical concepts” selection and the “neoclassical modeling” emphasis—will provide what you need. This combination of chapters does not come close to exploiting fully the richness of the Microeconomics in Context textbook, but the contextual discussions (a hallmark of this text) that are interwoven into the standard material will inform the students about some of the crucial assumptions and limitations of neoclassical analysis—and will broaden their understanding of economic theory.

Many instructors have somewhat more leeway and can combine coverage of traditional neoclassical ideas with other material. We expect most users of Microeconomics in Context (MIC) to be in this category. We suggest that you make use of the special structure of the book, which enables you to introduce neoclassical concepts in your introductory course while still reserving class time for other areas of interest. Concepts such as opportunity cost (a topic covered within the “base chapters”) are important to teach, but how many beginning students have a pressing need to know about the intricacies of average variable cost curves and indifference curves? Such material will be largely irrelevant to the future lives of those who are not majoring in economics, and even economics majors often complain of boredom when this material is repeated at the intermediate level. If you are an instructor with some flexibility, you might choose the “base” selection and parts of the “neoclassical concepts” selection and combine these with one or more of the emphases described below.

Some of you may have even more flexibility, perhaps because you teach primarily nonmajors or teach outside of an economics department, such as in a public policy school, environmental sciences department, or interdisciplinary social studies department. If you are in this category, you can set the less relevant parts of the traditional neoclassical curriculum aside altogether and teach a course that is even richer in its variety of topics and intellectual scope. Such a course might include the “base” selection, some material from the “neoclassical concepts” selection, and much more material from the topical emphases.
## Summary of Possible Course Options When Not All of MIC Can Be Taught

<table>
<thead>
<tr>
<th>Curriculum Focus</th>
<th>Likely Selections</th>
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| Traditional neoclassical, with emphasis on technique | Base Chapters Selection (Chapters 1, 3, and 4)  
Neoclassical Concepts Selection (see description below)  
Neoclassical Modeling Emphasis (Appendices to Chapters 7–13) |
| Strong focus on neoclassical concepts with other themes woven in | Base Chapters Selection (Chapters 1, 3, and 4)  
Neoclassical Concepts Selection (see description below)  
Choose from Other Emphases (see descriptions below) |
| Coverage of basic and traditional concepts within course tailored to instructor and student interests | Base Chapters (Chapters 1, 3, and 4)  
Choose from Neoclassical Concepts (see description below)  
Choose from Other Emphases (see descriptions below) |

## Suggestions for Selections That Could Be Combined to Form a Specific Course Plan

### Base Chapters Selection

- **Chapter 1**, Economic Activity in Context
- **Chapter 3**, Market Institutions
- **Chapter 4**, Supply and Demand

### Neoclassical Concepts Selection

*Include:*

- Section 4 of **Chapter 2**, Economic Actors and Organizations (rational, self-interested behavior and circular flow)
- **Chapter 5**, Working with Supply and Demand (elasticities)
• Section 1 of **Chapter 6**, Capital Stocks and Resource Maintenance (defining stocks and flows, capital)
• **Chapter 7**, Production Costs
• Sections 1, 2, and 3.1 of **Chapter 8**, Production Decisions (neoclassical producer theory: production and cost functions, marginal analysis, the decision whether to produce)
• Sections 1 and 3 of **Chapter 10**, Consumption and the Consumer Society (neoclassical consumer theory)
• **Chapter 11**, Markets Without Market Power (perfect competition)
• **Chapter 12**, Markets with Market Power (“imperfect” competition)
• Section 3.2 of **Chapter 17**, The Public Purpose Sphere: Governments and Nonprofits (regulation of monopolies and trade practices)

**Consider:**

• Section 2 of **Chapter 9**, Distribution: Exchange and Transfer (gains from specialization and trade)
• Sections 2, 3, 5 of **Chapter 13**, Markets for Labor (neoclassical labor markets)
• Sections 1 and 2.1 of **Chapter 14**, Markets for Other Resources (present value calculations and capital markets)
• Section 2 of **Chapter 19**, Market Systems and Normative Claims (neoclassical welfare economics)

**Neoclassical Modeling Emphasis**

**Include:**

• **Appendix to Chapter 7**, A Formal Model of Producer Costs (average total and average variable cost curves)
• **Appendix to Chapter 8**, A Formal Theory of Producer Behavior with Convexity and Perfect Competition (full neoclassical producer theory graphs)
• **Appendix to Chapter 10**, A Formal Theory of Consumer Behavior (indifference curves)
• **Appendix to Chapter 11**, A Formal Analysis of a Market with Perfect Competition
• **Appendix to Chapter 12**, A Formal Analysis of Monopoly and Monopolistic Competition

**Consider:**

• **Appendix to Chapter 9**, A Formal Theory of Gains from Trade
• **Appendix to Chapter 13**, A Formal Model of a Firm’s Hiring Decision in Perfect Competition
Ecological Emphasis

Include:

- **Chapter 6**, Capital Stocks and Resource Maintenance (especially Sections 1, 3 and 8, natural capital and sustainability)
- **Chapter 10**, Consumption and the Consumer Society (especially Sections 2, 4, and 5, rising consumption and its ecological implications)
- **Chapter 14**, Markets for Other Resources (especially Sections 1 and 2, markets for resources)
- **Chapter 17**, The Public Purpose Sphere: Governments and Nonprofits (especially Section 3.4, environmental protection)
- **Chapter 18**, The Variety of Economic Systems (especially Section 4.3, cross-country comparisons of sustainability).

Global/International Emphasis

Emphasize:

- Sections 2 and 3 and appendix of **Chapter 9**, Distribution: Exchange and Transfer (“gains from trade” and aid issues)
- Section 5 of **Chapter 16**, The Business Sphere: For-Profit Firms (Globalization)
- Sections 2.3 and 3.2 of **Chapter 17**, The Public Purpose Sphere: Governments and Nonprofits (international regulatory institutions)
- **Chapter 18**, The Variety of Economic Systems (cross-country comparisons).

Finance/Business Emphasis

Include:

- **Chapter 6**, Capital Stocks and Resource Maintenance (especially Section 7, financial capital)
- **Chapter 8**, Production Decisions (especially Sections 3 and 4, discrete decision making and finance)
- **Chapter 10**, Consumption and the Consumer Society (especially Section 2, the marketing view of consumption)
- **Chapter 13**, Markets for Labor
- **Chapter 14**, Markets for Other Resources
- Section 3 of **Chapter 15**, The Core Sphere: Households and Communities (work/family policies)
- **Chapter 16**, The Business Sphere: For-Profit Firms
- **Chapter 17**, The Public Purpose Sphere: Governments and Nonprofits (especially Sections 3.2 and 3.3, regulation)
Public Policy Emphasis

Emphasize:
- Chapter 17, The Public Purpose Sphere: Governments and Nonprofits

Include:
- Chapter 9, Distribution: Exchange and Transfer
- Section 3 of Chapter 11, Markets Without Market Power (equity, efficiency, and policy)
- Section 4.5 of Chapter 13, Markets for Labor (discrimination)
- Section 3 of Chapter 15, The Core Sphere: Households and Communities (work/family policies)
- Chapter 18, The Variety of Economic Systems
- Chapter 19, Market Systems and Normative Claims

Gender Issues/Feminist Emphasis

Include:
- Section 3 of Chapter 9, Distribution: Exchange and Transfer (dealing with human dependency needs)
- Chapter 13, Markets for Labor (especially Section 4.5, discrimination)
- Chapter 15, The Core Sphere: Households and Communities (core sector of households and communities)

Consider:
- Chapter 19, Market Systems and Normative Claims

Poverty/Inequality/Social Justice Emphasis

Emphasize:
- Chapter 9, Distribution: Exchange and Transfer (especially Section 4, inequality)
- Section 5 of Chapter 10, Consumption and the Consumer Society (consumption and well-being)

Include:
- Section 5.2 of Chapter 4, Supply and Demand (inadequacy)
- Section 4 of Chapter 13, Markets for Labor (explaining variations in wages)
- Section 3.1 of Chapter 17, The Public Purpose Sphere: Governments and Nonprofits (social welfare policy)
- Chapter 18, The Variety of Economic Systems

Consider:
- Chapter 19, Market Systems and Normative Claims
Behavioral Economics Emphasis

Emphasize:
- Chapter 2, Economic Actors and Organizations (especially Section 2, motivation and behavior).
- Section 3 of Chapter 3, Market Institutions (behavioral aspects of market institutions)

Include:
- Chapter 8, Production Decisions (especially Section 3, dealing with complex and socially influenced decision making)
- Chapter 10, Consumption and the Consumer Society (especially Section 2, psychological and sociological aspects of consumption)
- Chapter 13, Markets for Labor (especially Section 4.4, worker motivation)
- Chapter 14, Markets for Other Resources (especially Sections 1 and 3, uncertainty and financial markets)
- Chapter 16, The Business Sphere: For-Profit Firms (especially Section 2 on motivations within organizations)
- Chapter 17, The Public Purpose Sphere (especially Section 4 on motivations within organizations)

Consider:
- Chapter 19, Market Systems and Normative Claims (comparison of schools of thought)

Information/Transactions Cost Economics Emphasis

Emphasize:
- Section 2.3 of Chapter 1, Economic Activity in Context (transactions costs and externalities)
- Section 2.4 of Chapter 2, Economic Actors and Organizations (information and rationality)
- Section 3 of Chapter 3, Market Institutions (institutional requirements of markets)

Include:
- Section 2 of Chapter 7, Production Costs (economic costs)
- Section 3 of Chapter 8, Production Decisions (sunk costs, path dependence, switching costs, network externalities)
- Section 4 of Chapter 13, Markets for Labor (explaining wage variation)
- Chapter 14, Markets for Other Resources (especially Section 1, uncertainty)
- Chapter 16, The Business Sphere: For-Profit Firms (explaining firm structure and size)
- Chapter 17, The Public Purpose Sphere: Governments and Nonprofits (especially Sections 1 and 3, the need for public institutions)

Consider:
- Chapter 19, Market Systems and Normative Claims
Institutionalist/Evolutionary Economics Emphasis

Emphasize:
- Chapter 2, Economic Actors and Organizations (especially Section 3, economic organizations)
- Chapter 3, Market Institutions

Include:
- Section 2 of Chapter 6, Capital Stocks and Resource Maintenance (evolution of capital)
- Sections 3 and 4 of Chapter 8, Production Decisions (path dependence and the importance of finance)
- Chapter 15, The Core Sphere: Households and Communities
- Chapter 16, The Business Sphere: For-Profit Firms
- Chapter 17, The Public Purpose Sphere: Governments and Nonprofits

Consider:
- Chapter 18, The Variety of Economic Systems
- Chapter 19, Market Systems and Normative Claims

Heterodox Economic Theories/Philosophy of Economics Emphasis

Emphasize:
- Chapter 1, Economic Activity in Context
- Chapter 19, Market Systems and Normative Claims

Include:
- Section 5.3 of Chapter 4, Supply and Demand (precision versus accuracy).

Political Economy/Marxist/Radical Economics Emphasis

Emphasize:
- Chapter 6, Capital Stocks and Resource Maintenance
- Section 4 of Chapter 8, Production Decisions (financial capital)

Include:
- Chapter 9, Distribution: Exchange and Transfer
- Sections 1 and 4 of Chapter 13, Markets for Labor (overview and variations in wages)
- Chapter 18, The Variety of Economic Systems
- Chapter 19, Market Systems and Normative Claims
Humanist/Socio-/Human Development Economics Emphasis

Emphasize:
- Chapter 1, Economic Activity in Context

Include:
- Chapter 2, Economic Actors and Organizations (especially Section 2, motivation and behavior)
- Chapter 3, Market Institutions (especially Section 3.2 and 4, trust and markets)
- Chapter 6, Capital Stocks and Resource Maintenance (especially Sections 5 and 6, human and social capital)
- Chapter 9, Distribution: Exchange and Transfer (especially Section 3, rationales for transfers)
- Chapter 10, Consumption and the Consumer Society (especially Sections 4 and 5, consumer society, well-being, and capabilities)
- Chapter 15, The Core Sphere: Households and Communities
- Chapter 17, The Public Purpose Sphere: Governments and Nonprofits