

Economics Principles of Microeconomics!

!!

Professor Wolfgang Keller kellerw@colorado.edu !

"#\$%&'#! (!) * +!, (-. !/!, (. !01) 2!34. -!

5667\$#!89&' :! (!* !; (<-!/!<(<-!>\$9?!; -@!

* #A:7%#(!B%#C:(DD\$E?FE:G\$9H9' EI 9G#I &D\$9&' :#:DJ@@. . !

!

Overview

KB#!\$9&' : #!7?%' 9I &\$#: !#H#L #?%E' M!\$9?#\$C%: !96!#\$9?9L7\$: IE?I !B9N!%B#M!E' #!' #6H#\$%#I !7?!%B#!
A#BEF79' !96!#\$9?9L7\$!! #7:79?0LEP#': G!

"#\$%&' #: !N7%B!%B#!C' 96#: : 9' !E?I !' #7%E%79?!: #7%79?: !N7%B!K#E\$B7?Q!1 : : 7: %E?%: !RK1 : S!N7H!A#!
B#H! !7?!C#': 9?G!K#T%A99P=N##PHM!E: : 7Q?L #?%: =E?I !EI I 7%79?EH!H#E' ?7?Q!LE%#' 7E!N7H!A#!
9?H7?#!9?!3E?FE: G!

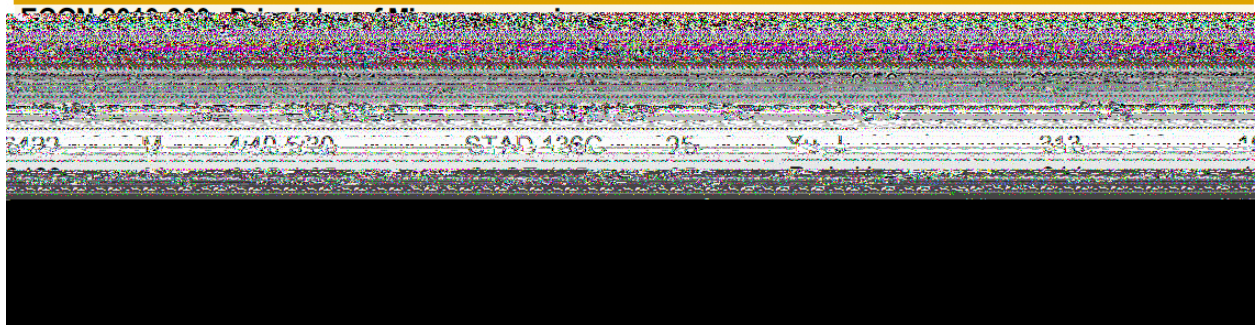
Textbook and Homework!

K9!P##C!%B#!\$9: %!96!M9&' !\$9&' : #!LE%#' 7EH: !E: !H9N!E: !C9: : 7AH#!E?I !E\$#\$: : !%9!%B9: #!LE%#' 7EH: !
E: !\$9?F#?7#?%E: !C9: : 7AH#N#!BEF#!\$9HHEA9' E%#I !N7%B!%B#!3U!V99P!W%9' #!E?I !%B#!C&AH7: B#'
%9! #H7F#' !%B9: #!LE%#' 7EH: !%B' 9&QB!E!C' 9Q' EL!\$EH#! !XY?\$H&: 7F#!1\$#\$: : Z=N7B7\$B!N7H!ECC#E' !
9?!M9&' !%&7%79?!E?I !6##!A7H!E: !X[EM!; ! [7Q7%EH!1\$#\$: : ZG!KB#: #!LE%#' 7EH: !7?\$H&I #!A9%B!
%B#!#V99P!RX) 7\$' 9#\$9?9L7\$: Z!AM!1\$#L 9QH&= "E7A: 9?E?I !"7: %!<' I

Recitation!

29&!N7HH!BEF#!E!9?#\$0N##PHM!' #7%E%79?!%E&QB%AM!M9&'!K1!NB7\$B!N7HH!L##%7?!C#':9?!
N##PHM!Y?!#E\$B!' #7%E%79?#M9&'!K1!N7HH!B#HC!M9&!\$9LCH###!E!N9'P:B##%# #HE#I!%9!%B#!
\$9?#\$C%: !A#7?Q!\$9F#'#I!7?!%B#!\$HE::G!* B7H#!%B#:#!' #7%E%79?:!E'#!:&CCH#L#?%EH!%B#M!E'#!
EH:9!'#_&7'#I!E?!I!N7HH!E\$9&?%69'!. `!96!M9&'!9F#'#EHH!Q'EI#G!O#\$7%E%79?:!:%E'%7?!%B#!:#\$9?!I!
N##P!96!\$HE:::#:G!

KB#!69HH9N7?Q!Q7F#:%B#!?EL#!96!M9&'!' #7%E%79?!7?:%'&\$%9'!E: !N##HH!E:%B#!%7L#!E?!I!CHE\$#!69'!
%B#! #7%E%79?G!



Clickers Questions

*#!N7HH!BEF#!\$H7\$P#!_&#:79?:!I&'7?Q!H#%\$&'#:G!\H#E:#!A'7?Q!M9&'!\$H7\$P#!' #L9%#!%9!#F#M!
H#\$%&'#G!Y6!%B7: !7: !%B#!67':%\$HE::!M9&!%EP#I%BE%LCH9M: !\$H7\$P#':#F7:7%#B#!69HH9N7?Q!CEQ#(!
[B%#C:\(DD97%G\\$9H9'EI9G#I&D:#'F7\\$#:DH#E'?7?Q0:CE\\$#:0%#\\$B?9H9QMD\\$&\\$H7\\$P#':07\\$H7\\$P#':!!](#)

3H7\$P#':!_&#:79?:!N7HH!E\$9&?%69'!. `!96!M9&'!\$HE::!:\$9'#G!29&'!H9N#:%@!\$H7\$P#':!E?:N#':!
N7HH!A#! #L9F#I!A#69'#!\$EH\$&HE%7?Q!M9&'!\$H7\$P#':!EF#'#EQ#G!

Extra Credit

5\$E:79?EHHM#N#!LEM!966#'%B#!9CC9'%&?7M!%9!#E'?!#T%'E!\$'#!I7%I&'7?Q!%B#!:#L#:#%#G!*B7H#!
9C%79?EH#7%\$E?!9?HM!E7:#M9&'!\$HE::!:\$9'#G!

Exams!

KB#'#!N7HH!A#!%N9!L7I%#'#L:IE?!I!E!67?EH!#TEL!KB#M!N7HH!A#!B#H!I7?!O1)2!34.-G! [&#!%9!%B#!
HE'Q#!?&LA#!96!:%&I#?%:%EP7?Q!%B7:\$HE::#7%7:!?9%C9::7AH#!%9!:\$B#I&H#!LEP#0&C!#TEL:G!
KB#!#TEL:IE\$9&?%69'!%B#!#LE7?7?Q!a.`!96!M9&'!Q'EI#G!Y?!%B#!I#6E&H%Q'EI7?Q!:\$B#L#-#
L7I%#'#L!;IR);S#L7I%#'#L!4!R)4S-E?!I%B#!67?EH!R+S!#E\$B!\$9&?%69'!4.`G!*#!N7HH!EH:9!#0
\$9LC&#M9&'!:\$9'#!N7%BE?9%B#!N#7QB7?Q!:\$B#L#G!Y%Q7F#:#L9'#!N#7QB%#9!%B#!67?EH!AM!
&:7?Q!4-`D4-`D<.`!69'!) ;D)4D+G!1&%9LE%7\$EHHM#M9&'!\$HE::!:\$9'#!N7HH!A#!%B#!B7QB#'#96!
%B#!%N9b!!

CU Policies

Classroom Behavior

V9%B!:%&I #?%: !E?I !6E\$&H%M!E' #' #: C9?:7AH#!69' !LE7?%E7?7?Q!E?!ECC' 9C' 7E%#H#E' ?7?Q!
#?F7' 9?L #?%7?EHH!7?: '% &\$%79?EH!:#%7?Q: ÷NB#%B#' !7?C#': 9? ÷' #L 9%#I9' !9?H7?#Q:KB9: #!NB9!
6E7H!%9!E! B# '#!%9!: &\$B!A#BEF79' EH!:%E?I E' I : !LEM!A#!: &Ae#%\$!%9! I 7: \$7CH7?#Q\ ' 96#: : 79?EH!
\$9&' %#: M!E?I !: #?: 7%7F7%M!E' #!#: C#\$7EHHM!7L C9' %E?%N7%B!' #: C#\$%\$!%9!7?I 7F7I &EH: !E?I !%9C7\$:!
I #EH7?Q!N7%B! E\$# ÷\$9H9' ÷?E%79?EH!9' 7Q7? ÷: #T ÷C' #Q?E? \$M ÷EQ# ÷I 7: EA7H7%M ÷\$' ##I ÷' #H7Q79? ÷
: #T &EH!9' 7#?%E%79? ÷Q#?I #' !I #?%7%M ÷Q#?I #' !#TC' #: : 79? ÷F#%# ' E?!: %E%&: ÷C9H7%7\$EH!E667H7E%79?!9'!
C9H7%7\$EH!CB7H9: 9CBM!+9' !L 9' #!7?69' LE%79? ÷: ##!%B#! \$HE.: '99L!A#BEF79' !C9H7\$M ÷B#! W%&I #?%!
[39I #!96!39?I &\\$% ÷E?I !%B#!5667\\$#!96!Y?: %7%&%79?EH!> &7%M!E?I !39L CH7E?# \\$G!](#)

Requirements for COVID

1: !E!L E%#%' !96!C&AH7\$!B#EH%B!E?I !: E6#%M ÷EHH!L #LA#': !96!%B#!3U!V9&HI #' ! \$9L L &?7%M!E?I !EHH!
F7: 7%9' : !%9!\$EL C&: !L &: %69HH9N!&?7F#': 7%M ÷I #CE' %L #?%E?I !A&7HI 7?Q!' #_&7' #L #?%: !E?I !EHH!
C&AH7\$!B#EH%B!9' I #' : !7?!CHE\$#!%9! #I &\$#!%B#!' 7: P!96! : C' #EI 7?Q!7?6# \$%79&: !I 7: #E: #Q!3U!V9&HI #' !
\$&' #?%HM! #_&7' #: !35^Y[0; , !FE\$7?E%79?E?I !A99: %#': !69' !EHH!6E\$&H%M ÷: %E66 ÷E?I !: %&I #?%: G!
W%&I #?%: ÷6E\$&H%M ÷

Religious Holidays

3ELC&!C9H7\$M!#QE' I 7?Q!' #H7Q79&:!9A:#' FE?\$#:'!#_&7' #: !%BE%6E\$&H%M! LEP#!#F# ' M!#669' %!%9!
I #EH! #E: 9?EAHM!E?I !6E7' HM!N7%B!EHH!:%&I #?%!NB9A#\$E&:#!96!' #H7Q79&:!9AH7QE%79?: ÷BEF#!
\$9?6H7\$%:!N7%B!:\$B#I &H#I !#TEL: ÷E: :7Q?L#?%:!9'!' #_&7' #I !E%#?I E?\$#Q\H#E:#!:#?I !L#!
7?69' LE%79?!' #QE' I 7?Q!\$9?6H7\$%:!A#\$E&:#!96!' #H7Q79&:!9AH7QE%79?:!AM!+' 7I EM÷1 &Q&:%4@÷4-44!
F7E!#LE7HG! W##!%B#!\$ELC&!C9H7\$M!#QE' I 7?Q!' #H7Q79&:!9A:#' FE?\$#:'!69' !6&HH!I #%E7H: G
!