Unit #2 – Product Markets and Supply and Demand

**Wed. 1/27** Begin Demand:  Read module 5

Includes defining markets, creating a demand schedule (individual and market), the law of demand and diminishing marginal utility.

(Reffonomics – “Demand”)

**Thur. 1/28** Continue demand.  Includes demand determinants and income and substitution effects and MU/$.

We will do Workbook Problem #7 in class.

**Fri. 1/29** Elasticity of Demand:  Module 46, 47.

Includes math of elasticity, total revenue test and perfectly elastic/inelastic, and determinants of elasticity

Workbook Problem #8 due.

(Reffonomics – Other “Demand” PPts.

**Monday. 2/2** Applications and graphs of Elasticity:

Handout  "Is Water Different?"

Workbook Problem #9 due.  (Reffonomics – “Elasticity” PPts.)

**Tue. 2/3** Begin Supply:  Read module 6.

Includes the law of supply, a supply schedule and determinants of supply, and elasticity of supply

(Reffonomics – “Supply”)

**Wed. 2/4** More Supply

Includes changes in supply vs. changes in quantity supplied and supply elasticity.

(Reffonomics – “Consumer and Producer Surplus” PPt.)

Group 2 Articles due.

**Thur. 2/5** Equilibrium and Surpluses:  Module 7, 49, 50.

Includes consumer and producer surplus, DWL, and market efficiency.

Handout  "Sex, Booze, and Drugs"

Workbook Problem #10 due.

**Fri. 2/6** Price Floors and Ceilings:  Read module 8. Includes applications of price controls, surpluses, and inefficiencies.

Workbook Problem #11 due.

(Reffonomics – “Price Ceilings and Floors”)

**Mon . 2/9** Minimum Wage Debate

***Tues. 2/10*** *Applications of Excise Taxes:  Module 50*

Includes impact on consumers/producers, DWL, and elasticity issues.

(Reffonomics – “Elasticity of Excise Tax” PPt.)

**Wed. 2/11** Health Care Applications and Subsidies:  Module 75.

Read Handout "Rationing Health Care"

Includes incidence of subsidies and dead weight loss and health care issues.

Workbook Problem #12 due

**We will do Problem #13 in class.**

**Thurs. 2/12** Agricultural Subsidies Application: Includes output fluctuations, domestic v. foreign issues, technology factors, long-term v. short-term issues, societal gain/loss criticisms and politics.

We will do Workbook Problem #14 in class.

**Fri. 2/13** Catch-up.

Read Handout  "Choice and Life"

Workbook #15 due.

Group 3 Articles due.

Mon. 2/14 Second Midterm**.**

**Tuesday – Start Trade!**