

Econ 101.11: Introductory Microeconomics

Fall 05, UNH 3304, TR 3-4:15pm

Syllabus

Course Description

Microeconomics characterizes and analyzes behavior as choice under scarcity. It deals with choices by “individuals”:

- *consumers* choose between different consumption goods,
- *firms* choose which goods and how much to produce,
- *societies* choose what goals to pursue and how to finance these goals.

All these choices are made under the constraint of scarce resources and they are made by individual actors (as opposed to analyzing choices at the aggregate level – macroeconomics deals with that). Economists assume that individuals make their choices in a consistent way using some basic rules. We will learn what these rules are and will apply them to different economic questions. We will also discuss the underlying assumptions of choice-based behavior and its main consequence: the market as the mechanism to allocate scarce resources.

The basic rules of economics are phrased in terms of models – models of individual behavior. Models describe assumed and observed general patterns of behavior. Although models are abstract in nature, we will focus on the applications of the models we develop. We will learn and apply the methods typically used in economic analysis. Some very basic algebra (solving equations for variables, solving two linear equations) and arithmetic (percentages and fractions) will be used in this class. Most of the analysis will rely on graphs. You should be comfortable with representing data graphically and interpreting graphs – check out the appendix of chapter 1 of our textbook to make sure you know the tools we are using. If you feel that a refresher of these tools may benefit you, get in touch with Andrew who will be offering a regular study group or can meet individually with you, see below.

The class will be based on lectures, in-class exercises, some discussions, and frequently on experiments. Please feel free to ask questions anytime. If a question takes us too far from the topic discussed that day, I may relegate the answer to the end of class, my office hour, or an e-mail – but that should not discourage you from asking questions. Quite to the contrary – the more participation, the better the class will be for all of us. Economics will most likely introduce you to a new way of thinking and analyzing the world around you – the more you tweak this way of thinking, the more you try to apply it to situations you experience, the more you will benefit from this class. A curious, inquisitive, and open mind is what I expect you to have in this class.

General Course Outline

1. Introduction
2. The Market Mechanism
Demand, Supply, Equilibrium, Elasticity, Price Floors and Ceilings
3. The Market Participants
Consumers and Producers and The Decisions They Face
4. Market Successes and Failure
Efficiency, Input Markets, Imperfect Competition, Externalities, Imperfect Information
5. Public Policy
Environment, Public Goods, Taxes

Readings

The required text for this class is

Krugman, P., Wells, R. (2005), *Microeconomics*, Worth,

(K/W henceforth), ISBN 0-7167-6744-9. We will follow the book closely. A very good study guide (ISBN 0-7167-5775-9) is available, if you are interested. We will not be using it in class, but if you want some additional exercise, that's what you should use.

The bookstore has the book under section 8/11 of Econ110. You have to make sure that you get the digital access code for Aplia (an electronic application we are going to use for class) - ask for that at the time of purchase. If you just get the textbook w/o the code, that is not sufficient and also expensive because you will need to pay an ADDITIONAL \$60 to sign on to Aplia. - In case anyone considers buying the book somewhere else, then make sure you get version ISBN 0-7167-6744-9 (it includes the code).

There is another option - you can also NOT buy a physical textbook. The Aplia online option also includes an electronic version of the textbook. If you want to work with that option, then you will need to sign on to the Aplia website and pay \$60 there - that gives you access to all the other items (texts, problem sets, etc.) we are going to use AND to the electronic textbook (which is identical to the physical textbook). I will tell you how to sign on to Aplia on the first day of class (you will have to pay by credit or debit card or by electronic check). If you choose this option, then don't buy the book at the bookstore. Should you buy the physical textbook? That is completely up to you. For those of you who work better on/with paper, like to have the text handy at all possible times and everywhere, and also consider holding on to the book for later (it is worth it!), you should consider buying it - again, make sure you get one with the code. If you don't care to lug around paper, prefer to click and drag, and/or know that you want to sell the book at the end, then maybe you want to go for the electronic version only. And, last but not least, as starting economists, you may want to compare the prices for the two options.

For how to register on the Aplia website, please see the end of this syllabus.

There will be additional short reading on a regular basis. The reading is and will be listed in the detailed schedule below that will be accessible on Blackboard. You are expected to read the required reading *after* the class for which it is indicated and *before* the next class. Required reading is indicated by a (*) in front of the source. The additional reading material will be either available online (a link to ereserves is provided on Blackboard – the ereserve password for this class is “e110f05ab”) or will be distributed in class.

Occasionally I will provide handouts that summarize or present material not covered in F/B in sufficient detail. These handouts are required reading and knowledge. They will also be linked to the detailed schedule and uploaded to Blackboard.

The detailed schedule will be updated on a regular basis. It is *your* responsibility to check the detailed schedule on the online syllabus after every class.

Class Attendance and Rules

Class attendance is highly recommended. You will only be able to follow classes if you have mastered material covered earlier during the semester. Class attendance during the announce experimental sessions is mandatory.

If you have to miss a class, I expect that you let me know *in advance*; it is your responsibility to catch up by consulting your classmates and the reading. I may assign additional homework if you miss class to make sure you are at the same level as everybody else in the class

Take detailed notes during class. It is not sufficient to copy the blackboard. You have to keep track of the main lines of reasoning and theories presented. Make sure you label and explain all graphs and equations

in your notes. You may want to consider to copy and to rearrange your class notes shortly after class. This helps to remember things and to detect gaps and open questions. I am more than happy to go over your notes with you if you have any questions. Attending class and taking notes is usually not *sufficient* to do well in this class. Read the relevant book chapters and work through the discussions questions, the problems and also the study guide to make sure you understand the material. If you have questions, about the lecture or the book material, please do come and see me (or contact Andrew).

No cell phones. Turn off the sound on any other devices and do not use them in class unless it is for note taking. The second or any further time in the semester any device of yours goes off, I will ask you to leave that class session.

Academic integrity is essential for a successful learning process – please check the Bulletin (pp 61) for the University's Honor Code and Process. If I catch anyone cheating, you will receive an F in the course and will be reported to the Dean.

My office hours are TR 12:15-1:00pm, and W 12-2pm. I am happy to help you with assignments if you get stuck or are not sure you are heading in the right direction. I also am happy to go over your notes, if you have any questions. I am probably your best resource – use me. If you cannot make it during my office hours, send me an e-mail and I will try to find a different time to meet with you. I do check my e-mail quite frequently, but do not count on me to reply over the weekend or late at night.

Please make sure you talk to me as soon as you run into trouble or fail to understand something. Delaying to do so will hurt your understanding of material covered down the road. Please do also let me know if you have any concerns about the class in general or your performance.

You will have to work hard in this class – I offer you all the support you need to succeed and learn a lot.

Homework

Economics is a way of thinking. Like a language and many other skills, it requires a substantial amount of practice to master it. You will therefore get regular homework. Generally, prior to every class, you will have to work on some exercises on the Aplia site. It is *your* responsibility to go online and check the required homework – you will not be receiving any reminders. Make it a habit after *every* Econ110 class to check the Aplia website. Some of the exercises are practice problems, others are graded. You are required to complete all graded problems and I strongly suggest that you also do all practice problems. The first problem will test your familiarity with mathematical tools we will use in class, later problems will be from the relevant book chapters or similar to those problems.

For the first Thursday, make sure you sign on for Aplia and Blackboard.

Short Questions

Each week I will post a short question on Blackboard towards the end of the week (latest Friday). These questions are of two types, some are of a more general nature and allow us to question and discuss some of the underlying assumptions used in economics. Others are based on examples that will serve as starting points for new topics. I will not grade your answers on an individual basis, but I will address your comments in class.

Although these questions are short I expect you to think thoroughly about your answer and to reason well. Usually your answer should be between 10 and 20 sentences long.

Your contributions are due by midnight Sunday night.

Grading

Your final grade will be based on

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|---|-----|
| · short questions and class participation | 10% |
| · homework | 20% |

- two midterms (20 % each) 40 %
- final exam 30%

I will assign numerical grades (0-100%) to everything. At the end of the term, I will convert numerical averages into letter grades with appropriate +s and –s according to the standard scale A: 90-100%, B: 80-89%, C: 70-79%, D: 60-69%, F: <60. If appropriate and only rarely and minimally do I adjust this scale uniformly for everybody in class to the students' advantage.

The class participation grade relates mainly to the quality of your contributions, only to a small degree to the quantity. Although this class is mainly lecture-based, it relies crucially on your participation. Good contributions are questions, answers to my questions and suggestions of how to proceed or apply what we are covering, and often also requests to make me repeat something and explain something again – if it helps you, it almost certainly helps others too.

The **midterm exams** are on **Oct 6** and **Nov 17** during regular class hours. The **final exam** is on **Dec 13 at 2:00pm**.

Generally, there are no makeup exams. The only exceptions are *documented* cases of a serious family emergency, grave medical illness, or university-sponsored and required activities. In such cases, you need to contact me early *before* the missed exam and provide adequate written proof. Only if you follow these rules, will you usually be offered a makeup exam at a date set by me. Such a makeup exam may cover material that differs from the original exam. In exceptional cases where you followed the rules, you will not have the opportunity to take a makeup exam; in these cases, I will adjust the other exam weights proportionally. Contact me as early as possible to determine whether the above exceptions apply to you and whether you are eligible for a makeup exam or not. If you do not follow these rules, then you will be assigned an F for a missed exam.

Bring your own calculator, ruler, pen and pencil, and eraser to each exam. I will provide the paper. I may also allow specific handouts to be used during the exam – if so, this will be clearly stated before and in the exam. You are *not* allowed to use any other material, nor or you allowed to use your own paper. Doing your homework and class attendance are the best preparation for the exams. All exams are cumulative, although there will always be a stronger emphasis on material that has no yet been tested in another exam

Plagiarism and academic dishonesty are serious intellectual offenses. They guarantee an F on the assignment or exam and in the class. It may end your college career. If you ever are in doubt about proper attribution or procedure, please do get in touch with me *before* it is too late.

Detailed Schedule

A detailed schedule with all reading material, handouts, links, etc. is available on Blackboard. I will be updated after every class. You are responsible for checking it regularly.

Notice, there is no class Oct 13, Oct 25 (fall break), Nov 24 (Thanksgiving).