

ECON 200C: Principles of Microeconomics
Winter 2017
Lecture: MW 1:30-3:20 CDH 717

Instructor

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Office hours: Monday 12-1pm, Wednesday 11am-12pm and by appointment

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In this course, we will analyze how people and firms take decisions and make choices given the various constraints they face: budget, input costs, prices...Topics covered include consumer demand, price setting, resource allocation, interaction of supply and demand in a market, government intervention...You will need to use the tools seen in class to explain why households and firms act the way they do using abstract tools to model human economic behavior. The required textbook for this course is R. Glenn Hubbard and Anthony Patrick O'Brien's Microeconomics, 6th edition (older versions are fine to use). The student learning goals for the course will be:

Fundamental Knowledge

- Understand and be able to use microeconomic terminology
- Understand that the highest-valued alternative foregone is the opportunity cost of what is chosen
- Understand how individuals and firms make themselves as well off as possible in a world of scarcity
- Understand how prices inform the decisions about which goods and services to produce, how to produce them, and who gets them
- Understand how government policies affect the allocation of resources in a market economy
- Understand how market structure influences the allocation of resources

Application

- Use microeconomic principles to understand and explain economic events and other social phenomena under a competitive market structure
- Use elements of game theory to explain the strategic choices of individuals or organizations
- Critique the economic content of articles or presentations

Course Website: <https://canvas.uw.edu/courses/1098607>

All the documents and files related to this course will be posted on the Canvas website. To complete the homeworks, you will also need an access to the companion website, MyEconLab (MEL). There are several ways to sign up for it:

- 1) Purchase a new hard copy of the Hubbard & O'Brien (H&O) textbook and access to MEL at the bookstore
- 2) Purchase the H&O ebook and access to MEL on the bookstore website
- 3) If you want to get a used or older version of the textbook, you will need to purchase the access to MEL separately on myeconlab.com.

Additional help

This class has a CLUE session (more information available on depts.washington.edu/aspuw/clue/home/). Moreover, the Economics department offers tutoring session (<https://econ.washington.edu/economics-undergraduate-board>).

Grading

- MyEconLab homework (12%, due every Monday night at 11pm)
- 3 quizzes (24%, or 3x8%)
- First exam (32%)
- Second exam (32%, non-cumulative)

Grades are typically curved in this class and you can expect the median to be between 2.9-3.1. Cheat sheets, graphing calculators or internet-capable devices are NOT allowed in exams.

MyEconLab homework

MyEconLab homework are a set of multiple choice questions automatically graded and transferred to CanvasGradebook. The questions in this type of assignment check your understanding of the concepts and on some occasions ask you to analyze a problem using the concepts you have learned. **The homework will be available from Tuesday 1am to the following Monday 11pm.**

Quizzes

Throughout the session, you will have to three in class quizzes to test your understanding of the material and encourage you to study regularly during the quarter. Unless specified, write your answer and clearly explain how you got it in a concise manner. If you make any assumptions, please state them up front. You will need a calculator for some of the questions so please bring a simple 4-function or a scientific calculator to your exams. Graphing calculators are not allowed

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in any of the exams in this course. Finally you may only be given an early or make-up exam if you provide a doctor's note or an excused absence for participation in university athletics.

Quiz 1: Monday, January 30th on week 1, 2 and 3 (elasticity of demand)

Quiz 2: Wednesday, February 8th on week 3 (supply) and 4.

Quiz 3: Wednesday, March 1st on week 5 and 7.

Exams

There will be two exams during the session: a first exam and a second exam (non-cumulative). There is typically 5-6 non-multiple choice questions in each exam. Unless specified, write your answer and clearly explain how you got it in a concise manner. If you make any assumptions, please state them up front. You will need a calculator for some of the questions so please bring a simple 4-function or a scientific calculator to your exams. Graphing calculators are not allowed in any of the exams in this course. Finally you may only be given an early or make-up exam if you provide a doctor's note or an excused absence for participation in university athletics.

Exam 1: Wednesday, February 15th at 1:30-3:20pm in CDH 717

Exam 2: Monday, March 13th at 2:30-4:20pm in CDH 717

Attendance

Attendance is not mandatory, but strongly encouraged. If you miss class, please speak to a fellow student in your class to get the notes and consult the class website for important announcements as well as lecture notes.

Disability Accommodations

Please contact me as soon as possible if you have a documented disability and need accommodations. Information for documenting your disability can be found here:

<http://depts.washington.edu/uwdrs/>

Student Athletes

Please approach me as soon as possible if you will be missing any important dates for this course due to your athletic activities, especially exams. You should have official documentation of these dates.

Plagiarism and Cheating

Cheating is unfair to your fellow students and I will pursue disciplinary actions against anyone caught cheating. Please see the Department of Economics full statement on cheating on the last page.

COURSE OUTLINE

PART I: FOUNDATIONS OF MICROECONOMICS

week 1 (01/09-01/11). Introduction to economic thinking and the market system (Postulates and assumptions of consumer behavior, scarcity) (chapter 1) - Opportunity cost (OC, comparative and absolute advantage, PPF) (chapter 2)

week 2 (01/18). Consumer choice (MV, CS, D curve) (chapter 3 section 1 and chapter 4 section 1) **(01/16: Martin Luther King day)**

week 3 (01/23-01/25). Elasticity of demand (midpoint formula, change in revenue) (chapter 6 sections 1-4) - Supply curve and law of supply (chapter 3 section 2, chapter 4 section 1)

week 4 (01/30-02/01). Market equilibrium and efficiency (chapter 3 sections 3-4, chapter 4 section 2) - Price floor, price ceiling, interrelated markets (chapter 4 sections 3) - **1st quiz on Monday, January 30th on week 1, 2 and 3 up to elasticity of demand**

week 5 (02/06-02/08). Taxes and subsidies (section 4 chapter 4) - Externalities (Coase theorem, Pigovian tax, subsidies, types of goods) (chapter 5) - **2nd quiz on Wednesday, February 8th on week 3 (supply) and 4.**

week 6 (02/13). Review session for exam 1.

week 6 (02/15). Exam 1: Wednesday, February 15th at 1:30-3:20pm in CDH 717 on week 1, 2, 3, 4.

PART II: EXTERNALITIES, PRODUCTION AND MARKET STRUCTURE

week 7 (02/22). Gains from trade (world market, tariffs, quotas) (chapter 9) **(02/20: President's day)**

week 8 (02/27-03/01). Production (products of labor, different costs, short-run vs long-run) (chapter 11) - Firms in competitive markets (Profit maximization, Shutdown decision) (chapter 12) - **3rd quiz on Wednesday, March 1st on week 5 and 7**

week 9 (03/06-03/08). Monopolistic competition – Review session for exam 2.

Exam 2: Monday, March 13th at 2:30-4:20pm in CDH 717 on week 5, 7, 8, 9

Academic Honesty

1. Exams are individual work and cheating will not be tolerated. You are not allowed to look at your neighbors' exams. Doing so will result in the termination of your exam time.
2. Altering an exam before submitting it for a review of the grading, obtaining an advance copy of an examination, or arranging for a surrogate test-taker are all flagrant violations of University policy.
3. Cheating of any kind may result in expulsion from the University. The Department will follow University policy in case of academic misconduct. I strongly recommend that you review University policy at <http://www.washington.edu/uaa/advising/help/academichonesty.php> . Students found to have engaged in academic dishonesty will be subject to sanctions, which range from a disciplinary warning to permanent expulsion from the University, depending on the seriousness of the misconduct.

The following message is forwarded to you from UW Human Resources.

UW SafeCampus

Preventing violence is everyone's responsibility. If you're concerned, tell someone.

- * Always call 911 if you or others may be in danger.
- * Call 206-685-SAFE (7233) to report non-urgent threats of violence and for referrals to UW counseling and/or safety resources. TTY or VP callers, please call through your preferred relay service.
- * Don't walk alone. Campus safety guards can walk with you on campus after dark. Call Husky NightWalk 206-685-WALK (9255).
- * Stay connected in an emergency with UW Alert. Register your mobile number to receive instant notification of campus emergencies via text and voice messaging. Sign up online at www.washington.edu/alert

For more information visit the SafeCampus website at

www.washington.edu/safecampus