Econ 200E Syllabus

Instructor: Shuo Jiang

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***Note: suggested readings will be updated on a weekly basis.

1 Overall Description of the Course

This course is an introductory course to the field of microeconomics. In this course, students will learn about the basic ideas, concepts and analytical methods used in modern microeconomics. Students will also be notified about some of the most recent development at the frontier of microeconomic research and practice. The overall aim of this course is for students to gain basic training in microeconomics at the introductory level, have an idea of the 'up to date' panorama of this field , develop interest in microeconomics and be prepared for more advanced courses in this field.

2 General Learning Goals

The general learning goals for students in this course are as follows:

• Be able to use microeconomic terminologies • Be able to analyze a market (or multiple markets together) using supply and demand • Be able to explain the behavior of individual consumer and firm using simple graphical models • Be able to explain the organization and dynamics of an industry under different market structures • Be able to explain how the market (and the price mechanism) allocates scarce resource and achieves desirable outcome • Know situations in which the market may fail to deliver desirable outcomes • Be able to analyze how government policies and institutional arrangements affect the allocation of resources in an economy • Know the limitations of partial equilibrium analysis and comparative statics • Know some of the most recent developments in the frontier of microeconomic theory and practice.

3 Our respective responsibilities

Your Instructor: my responsibilities include clear explanations of concepts and tools, inspiring and motivating you to want to master the tools and concepts , and provide feedback of your learning upon request.

You: This course tries to equip you with 3 sets of abilities/skills: i) the ability to use concepts, vocabulary and essentially the language of microeconomics; ii) the ability to use graphical tools to model human economic behavior; iii) the ability to apply those tools to understand/predict the likely consequences of various events in our economy (e.g., tax reform, drug regulation, technological change, demographic change, climate change,etc.). To obtain these abilities/skills, you need to read the reading material before class, solve and make sure you understand homework problems and practice the economic way of thinking whenever possible in your spare time.

4 Textbook and Related Reading Material

1.*Principles of Economics* (or *Principles of Microeconomics*)(7th edition) by Gregory Mankiw.
The main reference of this course. Also, some of the problems in our problem sets come from the textbook.

2. Lecture slides
Lecture slides are based on the corresponding chapters in the reference textbook, but will not be exactly the same. There will be summarizing/rearranging or adding of new materials from outside the textbook.

5 Chapters and An Approximate Schedule

** We will start very slowly and gradually accelerate. Depending on how we progress, we might add/remove materials, and there might be some slight modifications to this schedule.

Week 1
chapter 1 Ten Principles of Economics
Suggested reading: textbook page 3-16.
chapter 2 Thinking Like an Economist
Suggested reading: textbook page 20-31.

Week 2
chapter 3 Interdependence and the Gains from Trade
Suggested reading: textbook sections: 3-1, 3-2 (page 48-55)
chapter 4 The Market Forces of Supply and Demand
Suggested reading: textbook sections: 4-1, 4-2, 4-3, 4-4 (page 66-79)

Week 3
Quiz 1 25 minutes.
chapter 5 Elasticity and Its Application
Suggested reading: textbook section: 5-1, 5-2, 5-3 (page 90-105)
chapter 6 Supply, Demand, and Government Policies
Suggested reading: textbook section: 6-1, 6-2 (page 112-123)

Week 4
chapter 7 Consumers, Producers, and the Efficiency of Markets
Suggested reading: textbook sections: 7-1, 7-2, 7-3 (page 136-146)
chapter 8 Application: The Costs of Taxation
Suggested reading: textbook sections: 8-1, 8-2 (page 156-162)
Quiz 2 25 minutes

Week 5
chapter 9 Application: International Trade
Suggested reading: textbook sections: 9-1, 9-2a, 9-2b, 9-2c (page 172-177)
Midterm Review
Midterm Exam: 50 minutes

Week 6
chapter 10 Externalities
Suggested reading: 10-1a, 10-1b, 10-1c (page 197-199), 10-2a, 10-2b, 10-2c (page 202-205), 10-3 (page 208-211)
chapter 11 Public Goods and Common Resources
Suggested reading: 11-1, 11-2, 11-3, 11-4 (page 216-228)

Week 7
chapter 13 The Costs of Production
Suggested reading: 13-1, 13-2, 13-3, 13-4 (page 260-272)
chapter 14 Firms in Competitive Markets
Suggested reading: 14-1, 14-2, 14-3 (page 280-289)

Week 8
chapter 15 Monopoly
Suggested reading: 15-1, 15-2, 15-3, 15-4, 15-5, 15-6 (page300-322)
chapter 16 Monopolistic Competition
Suggested reading: 16-2, 16-2 (page330-336)
Quiz 3 25 minutes.

Week 9
chapter 17 Oligopoly
Suggested reading: 17-1, 17-2, 17-3, 17-4 (page 348-364)
Competition Policy Workshop

Week 10
chapter 21 The Theory of Consumer Choice
Suggested reading: 21-1, 21-2, 21-3 (page 436-448)
chapter 22 Frontiers of Microeconomics
Suggested reading: 22-1, 22-2, 22-3 (page 462-475)
Final Review

Final Exam: 1 hour and 30 minutes.

6 Attendance Policy

Attendance is not required but highly recommended, as there will be improvised whiteboard illustration sometimes. It's your responsibility to catch up with the materials for missing classes.

7 Extra Credit

We will have a **Competition Policy Workshop** in week 9. The aim of this workshop is to bridge the gap between the abstract textbook theories and the real world policy practices. This workshop discusses the framework, history, case studies, pros and cons of antitrust policies. At least 3 and up to 8 student volunteers will each give a 10-minutes presentation. Each presenter will receive an extra credit of 0.2-0.4 point (equivalent to having 0.2-0.4 points more on a problemset/a quiz/the midterm/the final) depending on the quality of the presentation. Send me an email if you want to present in this workshop.

8 Office Hour and Location

Mon and Wed 1:30-2:30pm
Savery 319 F
(Will announce extra office hours before midterm and final)

9 Math Requirement

This course focuses on ideas and simple "curve-shifting" models. The math required for this course is minimal. The most advanced math that will be used in this course are:

1. Solve a simple linear system:

$$\begin{cases} y = 2x \\ y = 4 - 2x \end{cases}$$

solve it, we get: $x = 1, y = 2$.

2. Know that for a linear function $y = ax + b$, its slope can be written as $\frac{dy}{dx} = a$ (this is the **only** place where we use a little calculus in this course).

3. Know how to find the x-intercept and y-intercept of a line $y = ax + b$ (the y-intercept occurs where $x = 0$, and the x-intercept occurs where $y = 0$.).

10 Assignments and Grading

There are 6 problem sets in total, and they will all be graded based on submission (not based on correctness of your solution). We will probably go through some of the problems together in class before your submission, and you won't need to submit these problems. It is your responsibility to make sure that you understand the problems by asking me, asking your peers or checking the our slides, notes and textbook.

The final grade consists of 5 parts:

Homework 9%

Quiz1 10%

Quiz2 10%

Midterm 25%

Quiz3 10%

Final 36%

The range for each quiz and each exam will be pre-announced. **Midterm and final are not cumulative.** However, midterm might contain some materials tested already in Quiz1 and Quiz2. Final might contain some materials tested already in Quiz3.

For the quiz, each one will consist of two problems, one is from our problem set, the other one is a modification of a problem from our problem set. Each quiz can be finished in about 25 minutes.

For the midterm, it will have 4 problems, 1 problem will be selected from our problem set, 1 problem will be a modified problem from our problem set and 2 problems will be new. It can be finished within about 50 minutes.

For the final, 1 problems come from the problem sets, 2 problems will be modifications of problems from the problem set, and 4-5 problems will be new. The new problems will be based on my lectures, illustration on the whiteboard, the "check for your self" summary by the end of each lecture slides and lecture notes. It will last for about 1 hour and 30 minutes.

11 Grade Expectation

Following the department grading policy, grades will be curved to target a median grade point of 2.8-3.0 (on a 0-4 scale).

12 Academic Honesty

1. Homeworks are individual work. Students are encouraged to work in groups to discuss problem sets, but **must turn in their own work**.

2. Exams are individual work and cheating will not be tolerated. Looking at a neighbor's exam is considered cheating. If a student is seen committing this act, they will not be allowed to continue taking their exam. The neighbor sitting next to the student will also be duly punished if they are seen as facilitating this act of cheating.

3. 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.

4. 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.