

Econ 200G: Intro to Microeconomics, Fall 2015

Independent Section: MTWThF 10:30-11:20

Instructor: Jane Sally Lee

E-mail: jennily@uw.edu

Office Hours: 1:30-2:30 Wednesday/Friday

Office: Savery Hall 319H

Preliminary Information:

I will disseminate information primarily through e-mail to the course e-mail-list, so please make sure that you are registered for the course so that you will receive it. Homework you will turn in in-class, and quizzes/exams will be given in class. Unfortunately, I cannot provide any ADD codes at this time.

Course Description:

Economics is the study of choices made under constraints, usually the constraints of budgets, price, and input costs. In this class, you will learn not only a set of tools for analyzing economic markets at the “micro” or individual level, but a way of thinking about human decision making and choices in the face of scarcity. Topics covered include consumer demand, production, exchange, the price system, resource allocation and government intervention, but “economic thinking” can be applied to most social and political issues. This is not a class in which you can succeed by memorizing a set of facts. You must use the tools we will develop to explain why households and firms act the way they do.

Course Objectives:

- 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 price informs which goods/services produced, how they’re produced, and who gets them
- Use microeconomic principles to understand and explain economic events and other social phenomena

Textbook:

[Principles of Microeconomics, 7th Edition by Gregory Mankiw](#). An older edition/second hand copy is fine for this class, as long as you are able to find and follow the material. There are no online packages required for this course.

Grade:

- 25%: Weekly Quizzes
 - o Fridays, in class (occasionally cancelled for holidays)
 - o Lowest two quiz grades will be dropped
 - o Grading scale:
 - 80% or up: A
 - 70%: B
 - 60%: C
 - Below 60%: D
- 50%: Midterm and Final Exam
 - o 25% to Midterm and 25% to Final
 - o Not cumulative (each will only cover ½ of the class)
 - o To be scheduled (will announce in next two weeks)
- 15%: Homework
 - o Assigned in class
 - o Due in class on Thursdays (not through e-mail!)
 - o Book problems or writing assignments
- 10%: Class participation

Make-up Quiz/Exam: Only under special circumstances (medical, athletic needs), I will consider the situation, but make sure to bring documentation to claim your make-up exam. I would request you to schedule other activities around exams.

Students with Special Needs: Please come talk to me latest by the end of 1st Week.

Policy on plagiarism: No tolerance and results in at least a failing grade. See econ dept. and university policy.

Policy on cheating: No tolerance and results in at least a failing grade. See econ dept. and university policy.

In-class ethics: Out of respect for others, have cell phones turned off in class. If you get a call that you need to receive, please leave the classroom to take it and do not return for the rest of the class. No side conversations during class except for during in-class exercises/discussion.

Calculators: You are allowed a scientific calculator during your Quizzes of the Final Exam. No programmable calculators or cellphones are allowed.

Outline: (Subject to Change)

Part One: Introduction to Basic Principles of Economics (Week 1-2)

Mankiw Chaps 1-3

1. Choices under scarcity, tradeoffs
2. Marginal analysis
3. Opportunity cost
4. Use and usefulness of models
5. Demand and supply in the marketplace
6. Benefits of trade
7. Comparative advantage

Part Two: How markets work and welfare economics (Week 3-4)

Mankiw Chaps 4-8 (Skip chapter 9)

8. The market: perfect competition and otherwise
9. Elements of the demand curve
10. Movements and shifts of demand curve
11. Elements of the supply curve
12. Equilibrium of supply and demand
13. Elasticity of supply and demand
14. Price controls
15. Consumer and producer surplus
16. Deadweight loss

Part three: Market versus non-market costs and benefits (Week 5-6)

Mankiw Chaps 10-11 (Skip Chapter 12)

17. Externalities
18. Types of goods
19. Private solutions
20. Coase Theorem
21. Property rights
22. Tragedy of the Commons
23. Market solutions
24. Regulation v. taxes, subsidies and permits

Part four: Economics of production and industry organization (Week 7-8)

Mankiw Chaps 13-17

25. Costs of production: total, average, variable, fixed, marginal
26. Economic versus accounting profit
27. The production function
28. Long run and short run costs
29. Economies of scale and scope
30. Profit maximization
31. Supply curve in a competitive market
32. Short and long run equilibrium prices
33. Perfect competition
34. Monopoly
35. Price discrimination
36. Oligopoly
37. Monopolistic competition

Part five: Factor markets (Week 9-10)

Mankiw Chaps 18

38. Labor: Marginal product of labor, value of marginal product, wage determination
39. Capital: rent, interest, profit