

University of Washington
Economics 200: Introduction to Microeconomics

Spring 2015

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Office hours are TuTh 7:15-8:15 AM, immediately after class, and, primarily, by appointment.

Economics 200 is the introductory course in “microeconomic” theory. We analyze changes in the behavior of individuals and firms in response to changes in the constraints they face. This course will stress applications of elementary economic theory to real world issues and problems. Analytical reasoning based on fundamental principles is stressed throughout. This is a scientific course: we shall be concerned with explanations of real world events. These explanations are always based on a few fundamental postulates of behavior and technology. Be warned: this is not a course where you can memorize facts and regurgitate them on an exam!

The textbook for the course is the 7th edition of Principles of Microeconomics by Silberberg and Ellis (with an access code required for the companion MyEconLab website). We will proceed as follows. We will cover chapters 1 - 5, dealing with consumer behavior, demand theory, exchange and supply, and the interaction of supply and demand in market settings during the first five weeks. The midterm exam will follow the presentation of the material related to Chapter 5. We will then cover most of the material in Chapters 6 – 13 dealing with diminishing returns, supply in competitive markets, monopoly, imperfect competition, and natural resource economics. The final exam will emphasize the material presented in the second half of the course.

Your grade will be primarily based on your performance on a midterm and final exam. Most exam questions will be “story problems,” where you will be presented with some stylized facts and asked to analyze the results of some assumed change in the situation. The answers to these questions will always involve some specific statement such as, “the price will increase” with an explanation as to why it will do so. There will be very few “True-False” or “multiple-choice” questions. Credit for an answer will depend almost totally on the quality of the explanation you provide. There will also be online graded MyEconLab homework questions to be completed on the companion website developed for the textbook.

Grades will be assigned approximately as follows. The MyEconLab homeworks will count for approximately 10% of the course grade, the midterm exam counting for approximately 45% of the course grade, and the final exam counting for approximately 45% of the course grade. Only four-function calculators will be allowed on exams and quizzes.

Ungraded problem sets will help you prepare for quizzes and exams. They will be distributed on the class website, which can be accessed by going to myuw.washington.edu, clicking on *Canvas LMS*, selecting *Courses*, and selecting *Econ 200B*.

This course is not graded on a curve. The good news is if you do well, you will not be penalized because others have also done well; the bad news is that if you do poorly, the fact that others may have also done poorly will not help you. The really good news is that if you really study and attend to the assigned problem sets, there is no way you will not do very well. There are some basic themes that are repeated over and over again, and it is part of my job description to help you master them. But be warned: this is a scientific, analytical course. I know from many years experience (including my own as a student) that one cannot learn this material in a short amount of time right before the exams. Don't even think about it!

This course will stress applications of elementary economics to understand basic economic relationships in society. Economics is based on a few fundamental postulates and the application of analytical reasoning. The economic approach to understanding behavior is difficult to learn passively. The lectures and the exams will focus on examples. An important part of your reading concerns the questions at the end of the chapters and the practice questions. My experience has convinced me that working through these practice questions is essential for a superior performance in the class. Economics is learned through practice, not through memorization.

The goals for your learning fall into a couple of categories:

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
- Use elements of game theory to explain the strategic choices of individuals or organizations
- Critique the economic content of articles or presentations
- Appreciate the usefulness of economic reasoning in personal decision making

Exam Rules

I Exam Absence Policy

1. If you are unable to make it to an exam period due to illness or another unexpected happening, do the following:
 - i. Notify me no later than the time of the exam that you are not able to take the exam and why.
 - ii. If you missed the exam for health *reasons*, you need to show me a note issued by a medical professional documenting the reason you missed the exam.
 - iii. If there was some other reason for missing the exam come and see me to explain the reason. You will need to show appropriate documentation. Not waking up or missing your bus/plane is not an acceptable excuse.
2. If you know that you are going to be away due to a University-related activity, such as participation in an away sport or debate, let me know well in advance so that arrangements can be made.

II Exam Taking Rules

1. Material allowed during a closed book exam.
 - i. All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach.
 - ii. Only a basic 4-function calculator may be used during an exam. Graphing calculators and calculators with memories will not be allowed. Sharing of calculators is not permitted.
 - iii. No other electronic devices can be accessible during the exam. Cellular phones must be turned off before entering the class and placed in your closed bag (not in your pocket). You are not allowed to use a cellular phone during an exam. Doing so will result in the termination of your exam time.
 - iv. Baseball caps and any other kinds of headgear that conceal your eyes are not permitted.
2. Attendance and special accommodation
 - i. You are not allowed to leave the room during the exam. This includes restroom use; be sure to use the restroom before the beginning of the exam.
 - ii. If you arrive late to an exam, you cannot expect to get extra time after the official end of the exam to make up for the missing time at the beginning.
 - iii. If you have a documented disability, please show me documentation from the Office of Disability Resources for Students on the first day of class, so that I can make any arrangements required for accommodations.

III 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 their 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