

Economics 200D: Introduction to Microeconomics (2015 Winter)

Lecture: Monday-Friday (daily), 9:30-10:20, LOW 205

Instructor: Zhi Li

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OH: Weds 10:30-12:30 or by appointment

Course website: <https://canvas.uw.edu/courses/946397>

Aplia website for homework: <http://login.cengagebrain.com/course/R5F3-HWVA-SSP7>

Course Description:

Economics is not a field of study of something particular—rather, it is a set of tools and concepts that can be applied to understand a great number of phenomena in the economic and social sphere. We use the tools of the science of economics to study why things are and how they change when a relevant factor or force that shapes the phenomenon changes.

Course Objectives:

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 and different institutional arrangements affect the allocation of resources in an economy

Application

- Use microeconomic principles to understand and explain economic events and other social phenomena
- Critique the economic content of articles or presentations

Textbook: Principles of Microeconomics, 7th Edition by N. Gregory Mankiw

Grades:

Participation (subjective evaluation and in-class experiments)	10%
10 (weekly, due every Thursday by 11pm) HWs on Aplia	20%
2 quizzes (1/23, 2/27, Fridays)	20%
Exam 1 (2/9/15, Monday)	25%
Exam 2 (3/13/15, Friday)	25%

Course Policies:

- Homework is done on Aplia and is due every **Thursday 11 pm** before Friday's class. Note that you will be given three chances to get the right answer, with your final score being an average of your answers. There is no making up late or missing homework assignments.

- **Make-up quizzes and tests:** Generally, there will be no make-up quizzes. If you present a doctor's note, you will get a make-up quiz only once.

There will be no make-up tests. If you miss the midterm you need to present a doctor's note. If you miss the final you will receive an incomplete for the course.

- You may need a calculator for some of the questions on quizzes/tests. Please bring a simple 4-function or a scientific calculator to your tests.
- The grading policy of the Department of Economics sets the upper boundary for the Median grade in principles of economics courses to be 3.1. We will adjust the Grade Scale at the very end of the quarter to reflect a median of about 2.8-2.9 for a normal class, a median of 3.0 if the class has a strong performance and 3.1 if the median grade for the overall course is high and the class performs excellently.

Calendar of Lectures, Tests, and Core Concepts (*Preliminary and subject to revision*)

Week	Material	Tests (Ch.)
1	1/5/2015 - 1/9/2015 Ch. 1, 2	
2	1/12/2015 - 1/16/2015 Ch. 3, 4	Experiment (market)
3	1/19/2015 - 1/23/2015 Ch. 4	Fri.: Q1 (1-4)
4	1/26/2015 - 1/30/2015 Ch. 5, 7	
5	2/2/2015 - 2/6/2015 Ch. 6, 8, Review	
6	2/9/2015 - 2/13/2015 Ch. 10	Mon.: Exam 1 (1-8)
7	2/16/2015 - 2/20/2015 Ch. 11, 13	Experiment (public good)
8	2/23/2015 - 2/27/2015 Ch. 14	Q2 (10-11, 13-14)
9	3/2/2015 - 3/6/2015 Ch. 18, 15	Experiment (TBD)
10	3/9/2015 - 3/13/2015 Ch. 17, Review	Exam 2 (10-11, 13-15, 17-18)
Week	Core Concepts (75 items)	
1	Scarcity, tradeoff, opportunity cost, marginal change, incentive, market, market failure; Circular-flow diagram, production possibilities frontier (PPF), positive/normative, micro/macro	
2	Trade: comparative/absolute advantage, PPF Quantity demanded, demand schedule/curve, law of demand, normal/inferior good, substitutes/complements;	
3	Law of supply; equilibrium price and quantity, surplus, shortage	
4	Elasticity, price/income elasticity of demand, elasticity of a linear demand price elasticity of supply, consumer/producer surplus, efficiency	
5	Price ceiling/floor, tax incidence; deadweight loss (DWL)	
6	Externality and solutions, Coase Theorem, transaction costs	
7	Public good, common pool resources; Cost: explicit/implicit, marginal product (MP), diminishing MP, fixed/variable, total/average/marginal, short/long run (SR/LR)	
8	Perfectly competitive market, marginal revenue, supply curve, profit maximization, profit, entry/exit/breakeven conditions, sunk cost, SR/LR	
9	Marginal product of labor, value of marginal product (VMP); Monopoly	
10	Oligopoly, game theory, Nash equilibrium (NE), dominant strategy, prisoners' dilemma	

University of Washington Academic Honesty:

Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions. Sanctions range from a disciplinary warning, to academic probation, to immediate dismissal for the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course.

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.

Additional Resources:

The Economics Department offers several additional services to assist students in their Econ courses.

EUB Tutoring Center -- <http://depts.washington.edu/ecnboard/eub-tutoring/>

English Language Learner Comprehension & Writing Center

Personal Tutors for hire – email econadv@u.washington.edu for additional information