

ECON 200C: Principles of Microeconomics
Summer 2018
Lecture: MTWThF 12-1pm SWS 032

Instructor

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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

- Explain and be able to use microeconomic terminology.
- Describe the highest-valued alternative foregone as the opportunity cost of what is chosen.
- Analyze 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.
- Decipher how government policies affect the allocation of resources in a market economy.
- Explain 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/1205359>

All the documents and files related to this course will be posted on the Canvas website. To complete the homework, 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 (6 homework worth 12% total (2% each), due every Sunday night at 11pm, except midterm and final weeks)

-3 quizzes (18%, or 3x6%)

-First exam (35%)

-Second exam (35%, non-cumulative)

Grades are typically curved in this class and you can expect the class 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 Canvas Gradebook. The questions in this type of assignment check your basic 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 Monday 1am and are due each Sunday at 11pm.**

Quizzes (Please read the exam rules at the end of that document)

Throughout the session, you will have 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 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.

University of Washington

Quiz 1: Friday, June 29th on weeks 1 and 2 (OC, PPF and comparative advantage, MV and CS, Elasticity of demand, Supply)

Quiz 2: Friday, July 27th on weeks 5 and 6 (Externalities, Tariff-quota, Production technology)

Quiz 3: Wednesday, August 8th on weeks 7 and 8 (Perfect competition, Monopolistic competition)

Exams (Please read the exam rules at the end of that document)

There will be two exams during the session: a first exam and a second exam (non-cumulative). There are typically 5-6 multiple choice questions in each exam. 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: part 1 on Thursday, July 12th and part 2 on Friday, July 13th at 12-1pm in SWS 032 on week 1, 2, 3, 4 (up to Taxes and subsidies)

Exam 2: part 1 on Thursday, August 16th and part 2 on Friday, August 17th at 12-1pm in SWS 032 on week 5, 6, 7, 8, (starting Externalities)

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 (ATTEMPTED)

PART I: FOUNDATIONS OF MICROECONOMICS

week 1 (06/18-06/22). Introduction to economic thinking and the market system (Postulates and assumptions of consumer behavior, scarcity, positive and normative analysis, math review) (chapter 1) - Opportunity cost (OC, comparative and absolute advantage, PPF) (chapter 2) - Consumer choice (MV, CS, D curve) (chapter 3 section 1 and chapter 4 section 1) – **HW0 (non graded)**

week 2 (06/25-06/29). 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) **1st quiz on Friday, June 29th on weeks 1 and 2 – HW1**

week 3 (07/02-07/06). Market equilibrium and efficiency (chapter 3 sections 3-4, chapter 4 section 2) - Price floor, price ceiling, interrelated markets (chapter 4 section 3) – **HW2**

week 4 (07/09-07/13). Taxes and subsidies (section 4 chapter 4)-Review for exam 1- **Exam 1 on Thursday 12th and Friday 13th at 12-1pm in SWS 032 on week 1, 2, 3, 4 – No HW**

PART II: EXTERNALITIES, PRODUCTION AND MARKET STRUCTURE

week 5 (07/16-07/20). Externalities (Coase theorem, Pigovian tax, subsidies, types of goods) (chapter 5) - Gains from trade (world market, tariffs, quotas) (chapter 9) – **HW3**

week 6 (07/23-07/27). Production (products of labor, different costs, short-run vs long-run) (chapter 11) – Exercises on firm's costs/tariff-quota/externalities - **2rd quiz on Friday, July 27th on weeks 5 and 6 – HW4**

week 7 (07/30-08/03). Firms in competitive markets (Profit maximization, Shutdown decision) (chapter 12) - Monopolistic competition (chapter 13) – **HW5**

week 8 (08/06-08/10). End of Monopolistic competition and/or Exercises on perfectly competitive and monopolistic competition – Monopoly (chap. 15) – Oligopolies and introduction to Game theory (chapter 14) – **3rd quiz on Wednesday, August 8th on weeks 7 and 8 – HW6**

week 9 (08/13-08/17). Review for exam 2 - **Exam 2 on Thursday 16th and Friday 17th at 12-1pm in SWS 032 on week 5, 6, 7, 8 – No HW**

Department of Economics - Exam rules

I Exam Absence Policy

1. If you are unable to make it to an exam period ***due to illness or another serious unexpected happening***, do the following:

i. Contact your instructor **the same day** to notify him/her that you are not able to take the exam and why.

ii. If you missed the exam for *health reasons*, you need to show **as soon as possible** to your instructor a valid medical note issued by a medical professional, on the original exam date. There is no flexibility on this matter. The arrangement for making up the missing credits may vary from instructor to instructor (make-up exam etc.).

iii. If there was *some other reason* for missing the exam (car accident, meteor shower etc.) come and see your instructor to explain these reasons – you will need to show proper valid 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 an university related activity*** (e.g. sport, debate), let your instructor know well in advance (preferably in the first week of the quarter) so that arrangements for make up can be made upon presentation of proper valid documentation.

II Exam Taking Rules

1. Material allowed during a closed book exam.

i. All books, papers, notebooks etc. must be placed inside your bag (backpack etc.) and the bag must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach (classroom window sill etc.)

Note that individual instructors may have specific policies (open book exams etc.)

ii. Only keep writing tools and **basic calculators** (i.e. simple 4-functions calculators or scientific calculators). Graphing calculators or calculators with memories will not be allowed. ***Sharing of calculators is not permitted.***

iii. **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 (your exam being taken from you at this point). Likewise **i-pads** or **i-pods** (or similar devices) are not allowed. The use of **personal computers** is not allowed during an exam.

iv. Baseball caps with visors and any kinds of **headgear** hiding your eyes are not permitted.

2. Attendance and special accommodation

i. You are expected **not to leave the room** during the exam except in case of emergency. 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 your instructor your documentation from the Office of Disability Resources for Students on the first day of class, so that your instructor can make all the necessary arrangements if you wish to take your exam in a separate place.

Academic honesty

i. Exams are individual work and **cheating will not be tolerated**. Students must not glance at their neighbors' exams. **Use of notes is not allowed**.

ii. Check the **student handbook** for further information about cheating, plagiarism etc. Cheating of any kind may result in expulsion from the university. **The Department of Economics will follow university policy in case of academic dishonesty**. These rules complement/supplement the university rules, which are spelled out at: <http://www.washington.edu/uaa/advising/help/academichonesty.php>

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