University of Washington
Economics 200: Introduction to Microeconomics

Autumn 2012

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Office hours are TuTh 7:15-8:15 AM, 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 Principles of Microeconomics, updated 6th ed. 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.

In addition to the midterm and the final exam, there will be a number of weekly quizzes, beginning in week two. Most exam and quiz 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 be MyEconLab homework questions to be completed on the companion website developed for the textbook.

Grades will be assigned approximately as follows. The quizzes and MyEconLab homeworks will count for approximately 20% of the course grade, the midterm exam counting for approximately 35% 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.
Problem Sets will be distributed on the class website, which can be accessed by going to www.econ.washington.edu, clicking on Instruction, selecting Course Schedule, selecting Autumn 2012, and then clicking on 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
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* Call 206-685-SAFE (7233) to report non-urgent threats of violence
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  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

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