

University of Wisconsin-Madison, department of Economics
ECON 101: PRINCIPLES OF MICROECONOMICS
Syllabus

Fall 2007

Lectures: M/W 14:30-15:45, 6210 Social Science

Prof. Ricardo Serrano-Padial
Office: 6428 Social Science
Office Hours: Thursday, 16:00-18:00.

Class webpage: <http://www.ssc.wisc.edu/~rserrano/101.htm>

Teaching Assistants

TBA. Check the class website for information about their office hours contact details.

Overview

This course provides an introductory look at the behavior of economic agents in the marketplace. We will study how the individual choices of consumers and firms determine demand and supply and how the intervention of the government affects the way markets allocate resources. We will also analyze what happens to market performance when there is imperfect competition among firms. Other topics covered include efficiency and equity, market failure, risk and information problems.

The course does not require previous knowledge of economics. To succeed in this class a student will need some basic knowledge of linear algebra (linear equations) and familiarity with the use of graphs.

Textbook/ Readings

We will use the book “Microeconomics” by P. Krugman and R. Wells. It is available at the University bookstore. A study guide is also available, which includes additional practice problems.

Weekly reading assignments will be posted regularly on the class webpage. These include chapters of the book related to the lectures as well as additional readings dealing with specific examples covered in class.

Discussion Sections

You are assigned to a discussion section. Attendance at discussion sections is highly recommended. Sections usually cover the problem set due the following week and questions regarding material from the lectures. If you need to switch sections talk to the TA of the section you wish to attend. In any event, you should always hand in your homework to the TA in charge of the section you are officially assigned to.

Office hours/email

Given that close to 400 students are enrolled in this class email can be overwhelming. If you have questions regarding the material of the course you should try first your TA office hours. If you need further assistance come to my office hours.

Assignments

There will be weekly problem sets (ten in total), which count for 10% of your final grade. Problem sets must be handed to the TA of the section you are enrolled in before Tuesdays, 9pm of the week they are due. No late assignments will be graded. I will post the problem sets in the class website. You are allowed to work in groups but you need to write up and turn in your own answers.

We will distribute problem sets by email. Problem sets and answer keys will be posted on the class webpage.

Exams

There will be two midterms and a cumulative final. Both midterms will be held in class on Wed October 10th and Wednesday November 14th, respectively. The final is scheduled on Wed December 19th from 7:45 to 9:45 (AM).

Under no circumstances there will be a make up exam, so students with schedule conflicts need to solve them or drop the course.

Grading

Problem sets count for 10% of your final grade and exams count for the remaining 90%. The final grade will be determined as follows:

1. Problem sets: Each problem set will graded using check+ (10 points), check (8 points), check- (6 points), not handed in (0 points).

Problem set score = Sum of scores of your nine best problem sets.

2. Exams: Each exam is graded using a 100 point scale.
3. Final score: your final score will be the highest of the two following scores:

Final Score 1 = 10% (*Problem set score* + 10 points) + 30% (*Midterm 1 Score*)
+ 30% (*Midterm 2 Score*) + 30% (*Final exam score*)

Final Score 2 = 10% (*Problem set score* + 10 points) + 35% (*Highest Midterm Score*) + 55% (*Final exam score*)

4. Final Grade: This course is graded according to the following curve:

If your Final score is among the highest	your grade will be
15%	A
15-35%	AB
35-60%	B
60-75%	BC
75-90%	C
90-100%	D/F

Grading inquiries

If you have questions about your grade talk to your TA first. If you still think there is a mistake in your grading type a letter describing in detail the complaint. A review of your grade may increase or decrease your score, depending on the net effect of errors found in my review.

Course Outline

1. Introduction.
2. Supply and demand.
 - a. Market equilibrium
 - b. Consumer and Producer surplus
 - c. Government intervention
3. Consumer choice and the demand curve:
 - a. Utility theory
 - b. Price and income changes
4. Firms and production:
 - a. Cost functions and firm's input decisions
 - b. Perfect competition and the supply curve
5. Efficiency and equity
6. Imperfect competition:
 - a. Monopoly
 - b. Oligopoly
 - c. Monopolistic competition
7. Market Failure:
 - a. Externalities
 - b. Public Goods
8. Other topics:
 - a. Risk and insurance
 - b. Asymmetric Information
 - c. Game theory

This outline is tentative and subject to change as the course progresses. Check regularly the class website for a more detailed outline.