

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

*SPRING 2010*

*Lectures: Lecture 001-T/TH 11:00-12:15, 6210 Social Science*  
*Lecture 002- T/TH 9:30-10:45, 6210 Social Science*

Prof. Ricardo Serrano-Padial (1st half of the semester)  
Prof. Amit Gandhi (2nd half of the semester)

Ricardo Serrano-Padial Office Hours: Tuesdays, 13:00-15:00.  
(Office: 6442 Social Science)

Amit Gandhi Office Hours: TBD

Class webpage: <http://courses.bfwpub.com/krugmanwellsmicro2.php>

**Teaching Assistants**

TBA. Check the class website for information about their office hours and 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 and EconPortal, a web-based course management software, where readings assignments and homework/practice questions will be posted. A package containing the book and an registration card to use EconPortal is available at the University bookstore. Alternatively, students can buy online access to EconPortal, which includes an electronic version of the textbook. ACCESS TO ECONPORTAL IS REQUIRED since all problem sets will have to be answered and will be graded in EconPortal. Please see the attached document explaining the different options and how to create a user account in EconPortal.

Weekly reading assignments will be posted regularly on EconPortal. 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.

## Office hours/email

Given that close to 700 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 individually answered in EconPortal by Wednesday, 9pm of the week they are due. Students will not be able to input their answers after the deadline. You are allowed to work in groups but you need to input your own answers in EconPortal in order to get a grade. Problem sets and answer keys will be posted on the class webpage. Additional practice questions will be posted in the class webpage.

## Exams

There will be two midterms and a cumulative final. Both midterms will be held in class on Thursday February 24<sup>th</sup> and Thursday April 7<sup>th</sup>, respectively. The final is scheduled on Sunday May 8<sup>th</sup> from 10:05AM to 12:05PM.

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 a 10 point scale.

*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. Imperfect competition:
  - a. Monopoly
  - b. Oligopoly, Game theory
  - c. Monopolistic competition
6. Market Failure:
  - a. Externalities
  - b. Public Goods

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

## Access to EconPortal

There are two options.

**Option 1:** to buy the textbook that includes an access card from the bookstore. This bundle has a special ISBN: 1429286822. Notice that if you buy the textbook with a different ISBN the access card is not included and you will need to still buy access to EconPortal. Here are the steps to register in Econ Portal:

1. Go to <http://courses.bfwpub.com/krugmanwellsmicro2.php> (Mac users need to use Firefox).
2. Click on the link "REGISTER AN ACTIVATION CODE."
3. You will be prompted to follow the on-screen instructions to find your course. Start by selecting state (Wisconsin), the school name (UW-Madison), then their instructor, course, and section.
4. Enter the activation code that came with their textbook. You will also be asked to enter their email address, choose a password and then you will be ready to go!

**Option 2:** Buy access to EconPortal directly from the publisher for \$55. Here are the steps to register in Econ Portal:

1. Go to <http://courses.bfwpub.com/krugmanwellsmicro2.php> (Mac users need to use Firefox).
2. Click on the link "PURCHASE."
3. You will be prompted to follow the on-screen instructions to find your course. Start by selecting state (Wisconsin), the school name (UW-Madison), then their instructor, course, and section.
4. You will be asked to enter their email address, choose a password and follow the directions to make the payment by debit/credit card.

If you have problems registering or need assistance with EconPortal, call 1-800-936-6899 or click on the "Contact Us – Technical Support" link at the bottom of the webpage <http://courses.bfwpub.com/krugmanwellsmicro2.php>