This course is designed to provide you with an introduction to microeconomics. Our primary focus will be on the behavior of consumers and producers as they engage in economic activity, generally governed by markets and the price system. A central issue is to understand the efficient allocation of resources. Throughout the course we will develop and apply a set of methodological tools that will be useful for evaluating existing public policies and policy alternatives, as well as providing a deeper understanding of how the economy operates.

People like to poke fun at the economists' understanding of the economy. For example, an economist, a philosopher, a biologist, and an architect were arguing about what was God's real profession. The philosopher said, "Well, first and foremost, God is a philosopher because he created the principles by which man is to live." "Ridiculous!" said the biologist "Before that, God created man and woman and all living things so clearly he was a biologist." "Wrong," said the architect. "Before that, he created the heavens and the earth. Before the earth, there was only complete confusion and chaos!" "Well," said the economist, "where do you think the chaos came from?" This course will improve your understanding of the economy and economic behavior.

Economics has its own special language and way of thinking. When the course is over you will understand the following joke (and perhaps even find it mildly amusing!). An economist and a real person are walking down a street. They see a ten dollar bill lying in the gutter. The real person says "let's pick it up." The economist says "don't bother, it must be counterfeit. Otherwise someone would have already picked it up." I also hope that this course will whet your appetite to learn more economics.

When does class meet? Lectures are on Tuesday and Thursday. I teach two sections of economics 101 this semester, at 9:30-10:45 in 6210 Social Science and at 1:00-2:15 in 272 Bascom Hall. You should try to attend at the same time each class because I may not be presenting identical material in each lecture. Still, if you need to miss your regular lecture, feel free to attend the other one. You are expected to attend lecture and do the assigned readings for the lecture before coming to class.
When do sections meet? You have signed up for recitation sections that will meet with teaching assistants on Wednesday or Friday on the schedule that you registered for (see, http://timetable.doit.wisc.edu/cgi-bin/TTW3.navigate.cgi?20101+sects/d296c101A1.html). The sections will usually focus on the problem sets that have been handed out the previous week. You should attend and actively participate in discussion sections.

What texts are needed for the course? The required textbook, Microeconomics: Economics and the Economy, by Timothy Taylor, Freeload Press, is excellent. It is available at http://www.textbookmedia.com/Products/ViewProduct.aspx?id=3269 in a free online version (but you cannot print it); for $16.95 for a version without advertisements that you can print; or for $19.95 for an ad-free paperback version. I would also like you to acquire the Study guide, available at http://www.textbookmedia.com/Products/ViewProduct.aspx?id=3334. This will cost anywhere from $4.95 (for an online version with ads that you cannot print) to $17.95 (for an ad-free hard copy). The study guide is a good source of additional problems (with answers). I assigned additional readings in most weeks of the class that are posted on the course web site (http://www.ssc.wisc.edu/~scholz/teaching_101.htm). Like the textbook, these are required readings that may form the basis of exam questions.

How will students be evaluated? There will be three midterms during the quarter and a final exam. Your lowest midterm score will be dropped. Fifty percent of your final grade will be based on your best two midterms, 40 percent will be based on the cumulative final exam, and 10 percent will be based on homework. The midterms and final are scheduled

Midterm 1: The evening of Thursday, October 1
Midterm 2: The evening of Thursday, October 29
Midterm 3: The evening of Thursday, December 3

Final Examination: Saturday, December 19, 7:25-9:25pm

Barring a tornado or natural disaster of similar magnitude in Madison, these dates will not be changed. You are responsible for being there.

Following practice in several other high-enrollment courses in the economics department, I expect the final grade distribution in my Economics 101 classes this Fall to be roughly 15% A’s: 18% AB’s; 20% B’s; 20% BC’s; 18% C’s; and 9% D’s and F’s. The grade distribution on midterm exams will be tighter than this because students are allowed to drop their lowest midterm grade.

Homework: Weekly problem sets will be assigned during the semester. These will be collected and selected problems will be graded by the discussion section leaders. Problem sets will each be assigned one of three possible grades: a “2” for exceptional work; a “1” for complete and reasonably accurate work; and a “0” for incomplete or generally inaccurate work. Group work is permitted, but you must turn in your own work (and identify other group members) to get credit. Late problem sets will not be accepted under any circumstances. Each student may drop his or her lowest problem set grade. The problem set score will then be determined based on the student’s average performance on the remaining problem sets. Take special care to understand all solutions to problem sets, as this will be important preparation for the midterms and final exam.
What are the rules for making up a midterm or final exam? Making up a midterm is possible only under extenuating circumstances, such as a sudden illness, and must be accompanied by a doctor's verification. Also, Professor Scholz must be notified by phone or in person prior to the exam that the student will be unable to attend. Because the lowest midterm will be dropped from your grade, the rules on make-up midterms will be strictly enforced.

Make-ups for the final exam are possible if the student has another exam scheduled at the same time, has three exams in a 24-hour period, or there is an extenuating circumstance (and doctor's note for an illness). Arrangements must be made prior to the exam by phone or in person. Even if you have already talked to me about taking the final at a different time and you have a compelling reason for doing so, talk to me again once the course has started. Please do everything possible to take exams at their scheduled times.

If you have a complaint about a grade you receive (TAs and professors do, unfortunately, make errors), first see your TA. If you still feel an error was made, type a letter (not an e-mail) to me describing your complaint, the grade received, and the grade you feel you deserve. I will re-grade the entire exam and respond in writing. This formality is meant to preserve the impartiality of the grading process.

What is the policy on scholastic dishonesty? Scholastic dishonesty is any act by a student that misrepresents the student's own academic work or that compromises the work of another. Examples include cheating on assignments or exams, plagiarizing (misrepresenting as one's own work done by another person), unauthorized collaboration on assignments or exams, or sabotaging another student's work. I loathe scholastic dishonesty and will do everything in my power to discover and fully prosecute those who cheat.

How to Succeed in Economics 101. Large classes can encourage students to be passive. After all, you get talked at by the professor in a large classroom, you get talked at by a teaching assistant, and you spend a good deal of time reading a textbook. Then, on the midterms and final exam you are asked to "talk back." If you haven't practiced writing and speaking the language of economics, you are likely to have considerable difficulty writing good answers when taking tests.

How can you avoid passivity?

1) Read, or at least skim, reading assignments before they are discussed in class. Lectures will be considerably more valuable that way and it will help you keep up. I will post slides for lecture (almost always) by morning of lecture.

2) Do the problem sets. Doing problem sets is not the same as reading them, looking at the answers, and deciding that it all makes sense to you. Most students find a substantial gap between the passive step of having material sound reasonable when they read or hear it, and the active step of actually solving problems. "Doing the problem set" should involve actually writing down the answers, drawing the graphs, and performing the calculations.
3) Discuss the material with others. Consider forming a study group with some other students. Talk to your teaching assistant.

4) When preparing for exams, many students find a good strategy is to anticipate what the exam is likely to cover. Make a list of what topics the exam is likely to cover, what diagrams you'll need to draw, and what calculations you'll need to perform. The problems on the midterms and final will be similar to the problems on the problem sets, and will focus on the same general concepts. Additional problems and answers are available in the "Study Guide" that accompanies the book.

**Additional Resources for Economics 101.** Your first sources of help for Economics 101 should be your textbook, your class notes, your TA, and then Professor Scholz. There are additional places to get help, however.

The first article posted on the class web site, "Whip Smart: The Tricks of the Trade for Better Grades," Rolling Stone, Lamar Graham, March 23, 1995, has some good suggestions about study skills.

The Economic Student Association (ESA) holds free weekly office hours staffed by upper-year undergraduate economics majors. They also offer free tutoring for Economics 101 and 102 students. Learn more at [http://esa.rso.wisc.edu/](http://esa.rso.wisc.edu/).

The Business Learning Center, 2240 Grainger Hall, 262-1186, may have organized study sessions for economics 101. The Writing Lab, 6171 Helen C. White Hall, 263-9305, can provide help to improve your writing skills. The Greater University Tutoring Service (GUTS), 303 Union South, 263-5666 provides general tutoring services. Finally, Susan Hering in room 7238 Social Science, has a list of economics graduate students who can be hired to tutor economics 101 (the going rate seems to be $25 to $35 an hour). No current economics 101 TA can accept money for tutoring economics 101.
## Lecture and Reading Schedule for Economics 101: (Lecture Number, Date)

In addition to the textbook, the assigned reading for the class includes some newspaper articles. These are required reading.

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<th>Tuesdays</th>
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| **Before class, read “Whip Smart” on the Web** | **Introduction:** (1, 9/3) Chapter 1, on the Interconnected Economy (and the Appendix to Chapter 1, on Graphs)  
“Undergraduate Economics Sees a Popularity Surge” and “Top Ten Barack Obama Plans to Fix the Economy” on the Web |
| **Choice in a World of Scarcity:** (2, 9/8) Chapter 2 on making choices and course themes  
“One Small Step for Man…” on the Web | **Demand and Supply:** (3, 9/10) Chapter 4: “Times Hit Wood Industry Hard” on the Web |
| (4, 9/15) Chapter 4: More on Demand and Supply  
“Coke Tests Vending Unit…” on the Web | **Applications of Demand and Supply:** (5, 9/17) Chapter 5: labor and Financial Capital Markets  
“Do Elite Colleges Produce the Best-Paid Graduates?” on the Web |
| **International Trade:** (6, 9/22) Chapter 3  
“If You Can Make It Here” on the Web | **Globalization and Protectionism:** (7, 9/24) Chapter 6  
“With Free Trade” and “Globalization’s Reality: The Wheel That Turns” on the Web |
| (8, 9/29) Catch Up! | (9, 10/1) First Midterm |
| **Elasticity:** (10, 10/6) Chapter 7  
“With Textbooks Students Show How Smart They Are” on the Web | **Household Decision Making:** (11, 10/8) Chapter 8 and Appendix to Chapter 8  
“Will the Hard-Core Starbucks Customer Pay More…” on the Web |
| (12, 10/13) Continue on Chapter 8 and Appendix to Chapter 8  
“Keith Chen’s Monkey Research” on the Web | **The Theory of Firms:** (13, 10/15) Chapter 9: Cost and Industry Structure |
| **Perfect Competition** (14, 10/20) Chapter 10  
“For Australian Winemakers…” on the Web | (15, 10/22) Chapter 10  
“How Competition Saved New York” on the Web |
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<th>Date</th>
<th>Chapter/Reading</th>
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<tr>
<td>(16, 10/27)</td>
<td>Catch Up</td>
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<td>(20, 11/10)</td>
<td>Catch up</td>
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<td>(17, 10/29)</td>
<td>Second Midterm</td>
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<tr>
<td>(19, 11/5)</td>
<td>Monopolistic Competition and Oligopoly</td>
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<td>(21, 11/12)</td>
<td>Competition and Public Policy</td>
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<td>(22, 11/17)</td>
<td>Environmental Protection and Negative Externalities</td>
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<td>(24, 11/24)</td>
<td>Poverty and Economic Inequality</td>
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<td>(25, 12/1)</td>
<td>Issues in Labor Markets: Unions, Discrimination, Immigration</td>
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<td>(26, 12/3)</td>
<td>Third Midterm Exam</td>
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<td>(27, 12/8)</td>
<td>Information, Risk and Insurance</td>
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<td>(29, 12/15)</td>
<td>Public Choice</td>
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<td>11/26</td>
<td>Enjoy Thanksgiving!</td>
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<tr>
<td>11/26</td>
<td>11/26: Enjoy Thanksgiving!</td>
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<tr>
<td>(28, 12/10)</td>
<td>Financial Markets</td>
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<tr>
<td>11/26</td>
<td>Final Exam, Saturday, December 19, 7:25-9:25pm</td>
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Grievance Procedure

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or teaching assistant, we strongly encourage you to try and resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

If you wish to file a grievance, you should go to Cindy Johnson in room 7444 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone number where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints.

Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary to provide a written response.