Welcome to Economics 101.

The syllabus.

Recurring course themes.

Microeconomics focuses on the particular actors within the economy, like households, workers, and business firms.

Microeconomists study the actions of government and how it affects individual and business behavior ("public economics"); labor markets ("labor economics"); the behavior of firms and industry ("industrial organization"); as well as urban economics, environmental economics, development economics, and several other areas.


Timothy Taylor.

“Tim is the sole managing editor of the Journal of Economic Perspectives, a gifted writer, and award-winning teacher.

The book will cost between $0 to $19.95.

A Study Guide contains many extra, worked out problems that are particularly strong on the conceptual (but not mathematical) aspects of the course.

The Study Guide will cost between $4.95 to $17.95.

Course web site: http://www.ssc.wisc.edu/~scholz/teaching_101.htm

This is where I’ve posted assigned readings, homework, the syllabus, copies of the lecture, and announcements.

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Requirements

Homework, 10% of your grade.

Going to class, carefully reading the text, and doing homework is how you learn economics.

Three in-class exams.

Drop the low grade. The other two are worth 25% each.

Multiple choice and short answer exams.

Final exam, cumulative, 40% of your grade.

I anticipate a course curve that ends up looking like

- 12% A-
- 18% A
- 20% B-
- 20% B
- 18% C+
- 18% C
- 9% Ds and Fs

Attend lecture, attend section, do reading before class, do your homework.

TAs

We are very lucky to have a great set of TAs for the course.

Head TA for the

- 9:30am section, Jiao Shi, 7308 SS, office hours: 11-12 Tuesday and 1:10-2:10 Fridays
- 1pm section, Michael Pistone, 7230 SS, office hours 3-4 Wednesday and 3:30-4:30 Friday.

Grade complaints

First go to TA. If that doesn’t take care of the problem...

Type a letter with your complaint, the grade you received, and what you think you deserve.

I will reply in writing, generally regrading the entire exam.
### Homework and Sections
- Homework must be turned in to the TA you are registered for in person, at the time listed in the assignment.
  - You can work together in groups on the homework. But each group member must turn in the assignment.
  - You can attend a different section, with permission from the TA. But your homework must be turned in to the TA you are registered for!
- Homework for this week is posted on the course website.
  - It will be discussed in Sections starting on 9/9 (W and F).
  - Homework for this week will not be turned in or graded.
- Homework will be graded 2 "exceptional work," 1 "complete and reasonably accurate work," and 0 "it's not a 2 or 1."

### Exams
- There will be three EVENING midterms
  - Thursday, October 1
  - Thursday, October 29, and
  - Thursday, December 3.
    - Your low midterm grade will be dropped. Midterms will not be rescheduled. Please do not take the course if you cannot take an evening exam.
- The cumulative final exam is Saturday, December 19, from 7:25pm to 9:25pm.

### Scholastic Dishonesty and the Swine Flu
- I loath cheating.
  - Please do not cheat on assignments or exams in any way.
  - If you know of or suspect other students are cheating, please let me or a TA know. Feel free to communicate anonymously.
    - Needless to say, cheating is extraordinarily disrespectful to me, the TAs, the University, and other students who are doing things the right, honest way.
- Swine flu
  - If you have a temperature over 100 degrees with a cough or sore throat, the Provost is asking you to stay home for 24 hours after you are fever-free.
    - Wash your hands like crazy!
    - I’ll have more to say about this later in the semester if we indeed experience a swine flu pandemic.

### Themes For the Course: Individual Choice
- **Resources are scarce.**
  - For example, only slightly more than 25% of the people in the U.S. over 25 have a bachelors degree.
- We use the concept of "opportunity costs" to measure the real costs of decisions
  - Opportunity costs are the monetary and non-monetary costs of what you give up when making a choice.
Opportunity Costs of College

Themes for the Course: Individual Choice (part 2)

- Much of life is about tradeoffs.
  - Pursuing one thing often means not pursuing another.
  - Studying for this course means that you forego studying for another course, leisure, or sleep.
- Finally, we assume that people generally take advantage of opportunities to make themselves better off. That is,
  - they respond to incentives.

Interactions: How Economies Work

- There are gains from trade.
  - Imagine how little you would get done if you needed to be fully self-sufficient in life.
- Markets move toward equilibrium.
  - A vivid example took place outside the Kohl Center Sunday afternoon.
    - Resale market for Badger basketball tickets.
- Resources should be used efficiently.
  - You cannot make some people better off without making others worse off.

Interactions: How Economies Work (pt. 2)

- Markets usually lead to efficiency.
  - This is remarkable. Millions of people pursuing their narrow self-interest can, in a broad sense, ensure that all opportunities to make everyone better off have been exploited.
- Government, in some circumstances, can improve society’s welfare when markets fail.
  - Individual actions may have externalities — consequences not reflected in market prices.
  - There may be barriers to competition.
  - Public goods cannot be controlled by markets.