

ECONOMICS 101
INTRODUCTORY MICROECONOMICS
FALL 2018

Instructor: Elizabeth Sawyer Kelly

Office: 7416 Social Science

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Office Hours: Tuesdays and Thursdays 11 a.m. to 12 p.m., and by appointment; more office hours to be announced in class. Office hours are intended for students to "drop-in" with their questions. For these established office hours students will find that they share the professor's time and can benefit from other students' questions and ideas. Office hours by appointment are made to discuss personal issues or for students who are unable to attend the regular "drop-in" hours due to scheduling conflicts.

E-mail: eskelly@wisc.edu

Webpage: www.ssc.wisc.edu/~ekelly/econ101

TA Information: Will be posted on the class website once that information is available.

Course Attribute: Social Science

Instructional Mode: Face-to-face

Meeting Time and Location: You are expected to attend your lecture and you **MUST** take your exams during your scheduled lecture time.

- **9:30 to 10:45 am lecture on Tuesdays and Thursdays meets in 272 Bascom Hall**
- **1 to 2:15 pm lecture on Tuesdays and Thursdays meets in 6210 Social Science**

Note: it is your responsibility to read and fully understand everything in this document.

PREREQUISITES:

- Satisfaction of Quantitative Reasoning A

TEXT:

Microeconomics by Paul Krugman and Robin Wells, fifth edition, Worth Publishers, 2018. **Note: It is fine to use the second, third, or fourth editions of this text, but if you choose to use the earlier editions of the text you will need to spend time reconfiguring the reading list to fit that text.**

It is also highly recommended that you read current event publications which cover economic events: among these recommended publications are The New York Times, The Wall Street Journal, Business Week, The Financial Times, Barron's, and The Economist.

OVERVIEW:

The official course description of 101 is:

"Economic problems of individuals, firms and industries with emphasis on value, price, and distribution of income. Must be taken before 102."

Let me elaborate: Economics is the study of the production, allocation and distribution of goods and services in a world where resources are scarce. In this course we will explore some basic concepts: the notion of scarcity and how it relates to opportunity cost; supply and demand; taxation and other government programs; externalities and public goods; production and cost theory; perfect competition, monopoly and other types of market structures; factor markets; and consumer theory. We may consider other topics as time allows.

COURSE OBJECTIVES:

Any QR-B class teaches students to:

- Manipulate quantitative information to create models, and/or devise solutions to problems using multi-step arguments, based on and supported by quantitative information.
- Evaluate models and arguments using quantitative information.
- Express and interpret in context models, solutions, and/or arguments using verbal, numerical, graphical, algorithmic, computational or symbolic techniques.

Within the context of this class we will be addressing these broad general goals by working to:

- Enhance economic literacy of students
- Improve close reading skills
- Improve numeracy
- Develop mathematical models and then be able to apply these mathematical models to economic questions and economic settings
- Improve logic and deductive reasoning skills
- Develop basic economic knowledge of opportunity cost, scarcity, supply and demand, consumer behavior, firm behavior, and market failure
- Relate real world events to our study of microeconomics

CREDITS FOR COURSE:

One hour (i.e. 50 minutes) of classroom or direct faculty/instructor instruction and a minimum of two hours of out of class student work each week over approximately 15 weeks is required per credit [for example, if you are taking a four credit course over a sixteen week semester then you would need to spend four hours each week in classroom instruction plus an additional eight hours of week in outside of classroom work], or an equivalent amount of engagement over a different number of weeks.

- **This is a four credit class. This implies that the class will meet approximately four hours per week and students will spend an average of 8 hours per week outside of class studying, doing homeworks, working practice problems, reading class material.**
- This class includes two weekly "power lectures" of 75 minutes of instructional time and a weekly discussion section of 50 minutes. It meets for the entire length of the semester.
- The course includes five homeworks, two midterms, and a final exam.
- The final exam is held during final exam week for the University.

COURSE WEBSITE: www.ssc.wisc.edu/~ekelly/econ101

Practice questions and problems are available on the course website. In addition, important information with regard to exams, TA contact information, and announcements will be posted on this website. It is your responsibility to check the website for announcements, assignments, and any possible changes related to the course plan.

COURSE STRUCTURE AND GRADING POLICY:

1. LECTURES:

There will be two lectures and a discussion section each week. Students are expected to have completed the reading prior to lecture. Attendance is not mandatory at the lectures, but exams will focus primarily on material presented in lecture. A second reading of the textbook after the lecture will greatly enhance your understanding of the ideas being presented. Students should make every effort **NOT** to miss class since the pace of the class is fast. Students who miss class will need to take personal responsibility to get the missed notes: notes will not be posted to the class website nor will the instructor provide notes to students who miss class.

To do well in the class it is important that you work many practice problems and that you do the background reading in the text. Many students will benefit from putting in substantial out of classroom time for the class: I would recommend a minimum of eight hours of outside of class study time per week!

2. DISCUSSION SECTIONS:

Attendance at discussion sections is highly recommended. Your Teaching Assistant will take attendance at every meeting. Discussion sections provide an opportunity to ask questions, go over problems from the large lecture or from the webpage, and generally reinforce material that has been presented in lecture. **The discussion section is also the place where more complicated and challenging problems will be explored: these problems will build off the material presented in the large lecture.** Your T.A. will be available during the discussion section and during office hours to answer your questions. In addition to attending the discussion section that you are enrolled in, you are also welcome to attend other discussion sections.

3. GRADES

There will be two midterms and a final exam as well as five homework assignments. The weights for the midterms, final, and homework are as follows:

MIDTERM I:	25% of grade
MIDTERM II:	25% of grade
FINAL:	40% of grade
5 Homework Assignments:	10% of grade

Although attendance is not required at class you are responsible for any material, written assignments, reading material, etc. covered or assigned in class.

The format of the midterm exams and the final will be announced in class prior to the date of the exams.

Midterm exams will be held during the regular class time: students should plan to arrive at their assigned classroom fifteen minutes early on these dates in order that the exam can start on time. Students arriving late will not receive compensating time: all exams must be turned in to the proctor at the end of the allotted exam time. **THERE ARE NO MAKEUP MIDTERM EXAMS.** If you miss an exam and have a valid excuse, your final exam grade's weight will be increased to make up for the missing midterm. If you do not have a valid excuse, you will receive a zero for that exam. Job interviews and travel plans (except as required by university-sponsored activities) do not constitute valid excuses for missing an exam. Students should plan to be in Madison, Wisconsin until they take the final exam. If you are unable to take an exam because of a valid excuse, please contact me in advance, if possible.

The final will be comprehensive and cumulative.

Homework assignments will be posted on the web and will be due on their assigned dates at the **BEGINNING** of class lecture. **NO LATE HOMEWORK ASSIGNMENTS WILL BE ACCEPTED. THERE WILL BE NO MAKEUP HOMEWORK.** If you fail to turn in homework you will receive a zero for that homework. All homework must be turned in at the beginning of class lecture (NO EXCEPTIONS TO THIS!) Students may work together on homework assignments, but must submit their own answers independently. Sharing knowledge does not mean sharing homework. **Answers that are copies on one another will be treated as violations of academic integrity and will be punished accordingly.**

Exam Dates:

Midterm I: Tuesday, October 16, 2018

Midterm II: Tuesday, November 27, 2018

Final Exam: Tuesday, December 18, 2018 from 5:05 to 7:05 p.m.

Homework Due Dates:

Homework #1: Thursday, September 27, 2018

Homework #2: Thursday, October 11, 2018

Homework #3: Thursday, November 8, 2018

Homework #4: Tuesday, November 20, 2018

Homework #5: Tuesday, December 11, 2018

NOTE: Failure to do the homeworks competently, thoroughly and consistently really hurts your grade: students who choose not to do the homeworks will find that their final computed weighted average grade is significantly impacted by this decision.

NOTE: Please make a copy of your homework before submitting it so that you can compare your answers to the web-posted answers. Answers will be posted the day the homework is due and you will want to be able to verify that your work was accurate prior to the midterms and final.

IN ORDER TO EARN A C GRADE OR BETTER IN THE COURSE, STUDENTS NEED TO HAVE AN OVERALL WEIGHTED GRADE OF 50 POINTS ON A 100 POINT SCALE FROM THEIR ASSIGNMENTS. WEIGHTED GRADES BELOW 50 POINTS WILL RECEIVE EITHER A D OR F GRADE IN THE COURSE.

NO EXAM GRADES WILL BE DROPPED. LOW GRADES WILL NOT BE DROPPED.

THERE WILL BE NO MAKEUP EXAMS TO REPLACE MIDTERMS THAT HAVE BEEN MISSED.

Grading: Your grade will be based on your overall performance. The final grade distribution will fall roughly along the following guidelines:

Top 20%: A
Next 20%: AB
Next 20%: B
Next 20%: BC
Bottom 20%: C, D and F

CLASS RULES AND EXAM RULES:

- 1) Class lasts 75 minutes: **DO NOT PACK UP EARLY-THIS IS DISRUPTIVE AND RUDE.** During lecture students should limit all conversations with one another: these conversations make it difficult for others to hear the lecturer.
- 2) During lecture students should turn cell phones off; there should be no texting during lecture. Your texting is distracting to others in the class.
- 3) During lecture students should take notes: this implies that they should not be “surfing” the internet. Your activity online is distracting to other students.
- 4) Students with questions should raise their hands so that the professor can recognize the student, receive the question, and answer the question.
- 5) When the professor asks the class a question, students wanting to provide answers should signify their willingness by raising their hands.
- 6) Students should put away all “earbuds” prior to the start of lecture.
- 7) During exams there is **absolutely no talking** allowed between students: students caught talking with one another will receive a zero on the exam.
- 8) During exams all cell phones should be turned off and stowed in backpacks: students caught with cell phones in their possession during the exam will receive a zero on the exam. If you see a student using a cellphone during the exam please immediately notify the proctor!
- 9) During exams there are **NO CALCULATORS ALLOWED**: students caught with calculators will receive a zero on the exam. If you see a student using a calculator during the exam please immediately notify the proctor!
- 10) Students are responsible for covering their answers during exams: it is considered academic misconduct to allow others to freely see your answers.
- 11) If students elect to record their answers on their exam booklet prior to filling out their scantrons, this recording should be small and not easy to be seen from twenty inches away. Answers recorded in large script on the exam booklet will be considered a sign of academic cooperation with other students on the exam and will result in the student recording these symbols on their exam receiving a zero on the exam.

PROFESSOR KELLY'S EXPECTATIONS FOR HER STUDENTS:

- Students will find their understanding of the material will be enhanced if they
 - Attend all lectures
 - Take notes during the lectures
 - Are awake and alert during each lecture
 - **Review and rewrite their lecture notes after the lecture**
- Students will understand the material better if they
 - Attend discussion section each week
 - Identify any questions or problems they have with the material before going to discussion section
 - Ask questions and participate every week in discussion section
 - Go to T.A. office hours with any additional questions
 - **Go to the website and work practice problems and old exams**
- Students often find study groups to be a helpful study aid

- **Make a point of meeting at least four other students in the class so that if you miss a class you can get the notes**
- **Meet with this group on a regular basis and discuss the material and practice questions that are on the web with this group**
- Students will understand the lecture more if they read the text prior to the lecture
 - Take reading notes and do not highlight when you read
 - Students should do the assigned reading again after the lecture and take a second set of reading notes
 - Writing reading notes will help you learn to summarize the material in your own words and the action of taking reading notes will help you retain the material
- Students failing to achieve an average of 50% for all graded material should not expect to pass this class
- If you are a senior please remember that you are not a graduating senior until you have successfully completed all the required coursework for graduation at the university.
- Students should keep a datebook and have all test dates and review sessions recorded in this notebook.
- Students struggling with material should see their T.A.s during the T.A.'s office hours.
- Students with questions about their grades should see Professor Kelly. No student should expect special consideration beyond that offered due to a student's status as a McBurney student.

Students who come to see me with concerns about the course will be asked about each of these expectations in turn. My belief is that for most students to succeed in this course they must follow the above guidelines.

ECONOMICS CAREER DEVELOPMENT OFFICE

If you are interested in learning more about careers related to this course or careers for economics majors, you are encouraged to contact the Economics Career Development Office. This office is staffed by economics specific career advisors who can help you throughout the job/internship exploration and application process. To learn more or make an appointment, visit their website: econ.wisc.edu/careers/.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

McBurney Disability Resource Center syllabus statement: “The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform faculty [me] of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. Faculty [I], will work either directly with the student [you] or in coordination with the McBurney Center to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA.”

<http://mcburney.wisc.edu/facstaffother/faculty/syllabus.php>

DIVERSITY & INCLUSION

Institutional statement on diversity: “Diversity is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals.

The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world.” <https://diversity.wisc.edu/>

ACADEMIC MISCONDUCT:

“Society depends upon some minimal level of integrity in our graduates, not just upon their academic knowledge or skills.”

- Gary Pavela, founding member of The Center for Academic Integrity

Academic misconduct is a vital issue concerning all members of the University community. Those who engage in academic misconduct, and those who ignore it when they become aware of it, threaten the integrity of the University and of the educational process.

As a UW-Madison student, you have the right to expect that you and other students will be graded fairly, and you have rights of due process should you be accused of misconduct. You also have an obligation to conduct your academic work with honesty and integrity according to University standards. Therefore, it is important that you:

- Become familiar with the rules of academic misconduct.
- Ask your instructor if you are unsure what behaviors constitute academic misconduct in a specific class or assignment (for example, how to cite from the web or whether to work with another student on an assignment).
- Let your instructors know if you think you see incidents of misconduct.
- Be aware that helping someone else to cheat is a violation of the rules and may result in misconduct charges against you.

By enrolling in this course, each student assumes the responsibilities of an active participant in UW-Madison’s community of scholars in which everyone’s academic work and behavior are held to the highest academic integrity standards. Academic misconduct compromises the integrity of the university. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these acts are examples of academic misconduct, which can result in disciplinary action. This includes but is not limited to failure on the assignment/course, disciplinary probation, or suspension. Substantial or repeated cases of misconduct will be forwarded to the Office of Student Conduct & Community Standards for additional review. For more information, refer to studentconduct.wiscweb.wisc.edu/academic-integrity/.

Misconduct Statement from the Department of Economics

Academic Integrity is critical to maintaining fair and knowledge based learning at UW Madison. Academic dishonesty is a serious violation: it undermines the bonds of trust and honesty between members of our academic community, degrades the value of your degree and defrauds those who may eventually depend upon your knowledge and integrity.

Examples of academic misconduct include, but are not limited to: cheating on an examination (copying from another student's paper, referring to materials on the exam other than those explicitly permitted, continuing to work on an exam after the time has expired, turning in an exam for regrading after making changes to the exam), copying the homework of someone else, submitting for credit work done by someone else, stealing examinations or course materials, tampering with the grade records or with another student's work, or knowingly and intentionally assisting another student in any of the above. Students are reminded that online sources, including anonymous or unattributed ones like Wikipedia, still need to be cited like any other source; and copying from any source without attribution is considered plagiarism.

The Dept. of Economics will deal with these offenses harshly following [UWS14 procedures](#):

1. The penalty for misconduct in most cases will be removal from the course and a failing grade,
2. The department will inform the Dean of Students as required and additional sanctions may be applied.
3. The department will keep an internal record of misconduct incidents. This information will be made available to teaching faculty writing recommendation letters and to admission offices of the School of Business and Engineering.

If you think you see incidents of misconduct, you should tell your instructor about them, in which case they will take appropriate action and protect your identity. You could also choose to contact our administrator Tammy Herbst -Koel (therbst@wisc.edu) and your identity will be kept confidential.

For more information, refer to <https://www.students.wisc.edu/doso/academic-integrity/>

Tentative Course Outline:

The Reading list for the course is given below. There are no dates on the reading list since from past experience I find that it works best for me to announce where we are in the reading as the course progresses. Frequent announcements will be made in class to let you know where we are in the reading.

Topic & Assignments	Reading Assignment
Intro to the course; administrative details; production possibility frontiers	Intro, Chapters 1-2, Appendix to chapter 2 <u>Although much of this math review may seem obvious to you, my historical experience is that at least 50% of the class are quite weak with respect to these skills. Do not assume that your skills are razor sharp-go through this material thoroughly.</u>

Comparative and Absolute Advantage	First half of Chapter 8 on International Trade
Supply and Demand	Chapters 3, 4 and 5
Supply and Demand; Interventions in Markets; International Trade	Chapters 7, and second half of International Trade
Elasticity	Chapter 6
First Midterm	Chapter Coverage to be announced
Real and Nominal Prices	
Consumer Theory	Chapters 9, 10; Appendix to chapter 10, and Appendix to chapter 19
Production and Cost	Chapter 11
Perfect Competition	Chapter 12
Monopoly	Chapter 13
Monopoly and Price Discrimination	
Oligopoly, Game Theory and Monopolistic Competition	Chapters 14 and 15
Second Midterm	Chapter Coverage to be announced
Income Distribution* and the Economics of the Welfare State	Chapters 19
Externalities	Chapter 16
Public Goods and Common Resources	Chapter 17
Asymmetric Information	
Final Exam	Final Exam is cumulative and comprehensive and will cover everything presented in class

*These topics may not be covered depending upon the pace of the course for the semester. There will be announcements in class about whether you should read this material or not.

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 a teaching assistant, we strongly encourage you to try to 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 room 7238 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 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 for providing a written response.