

Economics 101
Principles of Microeconomics
Fall 2012

Professor: Geoffrey L. Wallace

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Course Website: http://www.ssc.wisc.edu/~gwallace/ECON_101/econ_101.htm

Office Hours: Wednesdays 11-noon, or by appointment.

Lecture: Monday and Wednesday 2:30-3:45 in 6210 Social Sciences

Course Description: Microeconomics is the study of how individuals, firms, and the government interact within the context of markets to determine how scarce resources are allocated. In this introductory course we will focus on the development of economic models that can be used to analyze these interactions. Topics covered will include supply and demand analysis, production analysis, market outcomes under different assumptions regarding the degree of competition, and the effects of various government policies such as taxes, subsidies, and price controls.

Prerequisites: Successful completion of or exception from the Quantitative Reasoning Part A requirement. While not a math course, students in economics 101 will be required to do some algebraic manipulation and mathematical reasoning. Students who have a hard time with math will need to be fairly diligent in making sure that they do not fall behind. In most cases this diligence requires receiving assistance from the teaching assistants during their office hours.

Required Text: Microeconomics, 3rd Edition, by Paul Krugman and Robin Wells - available at the University Book Store. To save students money ordered an unbound copy of the book that comes with code for an e-book download.

Course Requirements: Students are expected to attend all lectures and discussions sessions. In addition, students will be responsible for the completion of weekly problem sets. These problem sets will be graded using a check+, check, check- grading scale. Students are encouraged to work in groups on problem sets, but each student must turn their own work. Problem sets will be turned in during sections and late homework will not be accepted under any circumstances. The problem sets will account for 10 percent of the grade and are intended to provide intensive practice in applying the analytical tools developed in lecture.

Discussion Sections: All students enrolled in this class should be assigned to a discussion section with a teaching assistant. These discussion sections meet once a week with a graduate student teaching assistant (TA). In discussion sections the problem sets from the previous week will be gone over, some old material may be rehashed, questions will be answered, and, on occasion, new material will be presented. To get the most out of the course, attendance and active participation in these discussion sections will be vital. **You may attend any discussion section run by your assigned TA, but may not attend discussion sections run by other TAs.** A listing of TA assignments and office hours may be found on the front page of the course website (or by clicking [here](#)).

Exams: There will be two midterm examinations and one final. The midterm examinations are scheduled during regular class hours and will cover material covered over the course of the previous 4 to 6 weeks. **The final examination will be cumulative and is scheduled for Sunday December 16 at 7:25 PM.** I will be announcing the location of the final exam near the end of the semester. There will not be any makeup for the final examination so students with conflicts need to resolve the conflicts or drop the course. In my experience there is always a problem getting students to hand in their exams on time. Students handing their exams in more than 3 minutes past the end of the scheduled exam session will have 3 points deducted from their final score (on the 100 point scale). After the 3 minute mark the penalty will increase by 10-points for each additional minute the exam is late until the 8 minute mark when the exam grade will go to zero.

Grading: Weekly homework assignments will count toward 10-percent of your final grade. The remaining 90-percent of your final exam will be calculated in one of the following ways:

- (1) For students whose (curved) final exam score is below the curved scores on each of the two midterms, each exam will count for 30 percent of the grade.
- (2) For all other students the higher of the two midterms will count for 40 percent of the final grade and the final exam will count for the remaining 50 percent of the final grade.

This grading scheme is designed to give students the opportunity to improve on a poor midterm performance and ensure that a fair and consistent policy is applied in the event the students must miss a midterm examination.

Tentative Class Schedule (subject to change)

| Dates | Topics(s) | Book Chapters |
|------------------------------------------------------------------|---------------------------------------------------------------|----------------------|
| September 5 | Introduction to Economics | |
| September 10, 12 | Basic Tools, Scarcity, Choice, & Gains from Trade | 1,2 |
| September 17, 19 | Supply and Demand | 3 |
| September 24, 26 | Elasticity, Consumer & Producer Surplus | 6,4 |
| October 1, 3 | Price Controls and Quotas, Unit Taxes | 5,7(181-97) |
| October 8 | Trade Quotas & Tariffs, Consumer Choice | 8(221-) |
| ** MIDTERM #1 Wednesday, October 10, locations TBA | | |
| October 15, 17 | Consumer Choice, Static Labor Supply | 10,19(549-) |
| October 22, 24 | Firms: Inputs, Outputs, and Costs | 9(243-46),11 |
| October 29, 31 | Profit Maximization, Perfect Competition, & Monopoly | 12,13(373-394) |
| November 5, 7 | Price Discrimination, Monopolistic Competition, & Game Theory | 13(394-400),15,14 |
| November 12, | Oligopoly, Factor Markets | 14 |
| ** MIDTERM #2 Wednesday, November 14, locations TBA | | |
| November 19, 21 | Uncertainty & Risk, Factor Markets | 20,19(529-49) |
| November 26, 28 | Private Information, Externalities | 20,16 |
| December 3, 5 | Public Goods, Taxation | 17,7(197-) |
| December 10, 12 | The Welfare State | 18 |
| ** FINAL EXAM Sunday, December 16, 7:25 PM, locations TBA | | |

Misconduct Statement

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 (<http://students.wisc.edu/saja/misconduct/UWS14.html>):

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 (Kim Grocholski: kgrochol@ssc.wisc.edu) and your identity will be kept confidential.

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.