

ECON 201
Section number 2207
Introduction to Microeconomics
Fall 2011

Time and Location

Lecture

Monday and Wednesday 5:30-7:00 pm (WY 101)

Instructor: Sascha Baghestanian

Office: Wylie Hall, Room 310

Office Hours: Tuesday: 3:30-4:30 pm, Thursday: 2:00-3:00 pm, and by appointment

Email: sbaghest@indiana.edu

Class website: (power point slides will be posted)

<http://www.austrianeconomist.com/teaching.html>

SI-session

Sunday 7.30pm – 8.30 pm BH 144

Tuesday 7.30 -8.30 pm BH 332

SI: Joseph Wells

Email: josewell@indiana.edu

Text and Supplemental materials:

Required Textbook: N. G. Mankiw (2008), Principles of Microeconomics, 6th edition.

Supplemental Textbook: David R. Hakes (2012), Principles of Microeconomics – Study Guide.

Past dept. final exam questions: <http://php.indiana.edu/~econcore/past-exams.html>

The class will be entirely based on the 6th edition of this textbook. If you use earlier editions then you are free to do so but you will be responsible to check the similarities and no familiarity with earlier editions of this book can and should be expected from the instructor or the student SI.

Course learning outcomes:

This course is designed with two primary learning outcomes in mind:

1. To provide each student with a basic understanding of microeconomic concepts, such as why prices change, how consumers and firms make decisions, and the effects of government intervention in the marketplace. The course also aims to develop an intuition about how economics enters into the decisions of everyday life.

2. To develop each student's ability to think both qualitatively and quantitatively when analyzing economic problems.

Problem Sets: Problem sets will be assigned once per week. You are responsible for doing all of the assigned problems and you cannot expect to do well in the course unless you develop a clear and solid knowledge of the material through working problems.

Exams: There will be two midterm exams (25% each) and one final (40%). Problem sets will be worth 7% of your final grade. Occasional pop quizzes will be worth the remaining 3% of your grade. The exams will contain problems that require applications of methods learned through the problem sets. You are expected to learn the material well enough so that you can apply it in new situations. If you have an illness or emergency, I expect to be notified before an exam takes place. If you fail to show up for an exam without contacting me, or if you cannot provide written documentation why you missed it, you will receive a zero on the exam. Please refer to the rules on absences.

Grading Policy:

Your grade will be based on the following:

Midterm Exam 1 (October 5, 05.30pm-07.00pm)	---25%
Midterm Exam 2 (November 14, 05.30pm-07.00pm)	---25%
Final Exam (December 15 th , 10.15 am- 12.15pm)	---40%
Homeworks	---7%
Pop-quizzes	---3%

You should be able to compute your letter grade at any point during the course of the semester by using your current grades and the above scale. Each exam is worth 100 points. So for example if you achieved 100 points on the first midterm then this counts 25 points towards your final score while 100 points on the final counts 40 points for your final score. The total sum of points that may be achieved through your weekly **homeworks** (explained in detailed later) over the entire semester is 100 points. Notice that this implies that the maximum number of *points towards your final* grade that can be achieved through homeworks is 7 points (7 % of it). The sum of points dedicated to your **pop-quiz** performance (described in detail later) is also 100 points implying that a full score on all the pop quizzes would result into 3 points towards your final overall score. **So the maximum number of points that can be achieved in this course is 100.** To give a typical example:

Suppose a student achieved 80 points on midterm 1 and 2, 91 points on the final exam, a full score on the homeworks and 80 points on the pop quizzes (overall). Then his final grade would be computed in the following way:

$$80*0.25 + 80*0.25 + 91*0.4 + 100*0.07 + 80*0.03 = 85.8$$

which would be a B+ (see following chart).

Use the below chart to determine your letter grade on any exam and your final course grade.

Total Points Earned			Grade
100.0	through	97	A+
96.9	through	91.5	A
91.4	through	89	A-
88.9	through	85.5	B+
85.4	through	81.5	B
81.4	through	77	B-
76.9	through	73.5	C+
73.4	through	67.5	C
67.4	through	66.5	C-
66.4	through	63.5	D+
63.4	through	59.5	D
59.4	through	55	D-
54.9	through	0.0	F

Examination Format

The three semester exams will be a mixture of multiple choice, true/false, matching, short answer, fill in the blank type questions. A particular exam may or may not include each of these five types of questions. The final exam is comprehensive and will be all multiple choice type questions.

Conflicts:

Your schedule must permit you to be free to take the final exam on Thursday, December 15, from 10:15 a.m. to 12:15 p.m. There are no alternatives to taking the final exam at this time and date. If you are enrolled in two or more of the following courses you have a conflict—Economics E201, Business Z302, Mathematics M212, Mathematics T101, Mathematics T103. Drop all but one of these conflicting courses now, unless you can resolve the conflict with your instructor(s) in the other course(s). Please do not ask if you may have an alternative time for the Economics E201 final—your request will be denied. Consult the final exam schedule to avoid additional conflicts.

Makeup Policy for Semester/ Midterm Exams:

There will not be any make-ups given for any of the semester exams. If you must miss a scheduled semester exam and have approval from me, the final exam course weight will be increased by the amount of course points that your approved missed exam is worth. It is not in your best interest to miss an exam. You should only request an approved miss of an exam if you truly are unable to take the scheduled semester exam. Your missed exam

grade will be credited in proportion to the percent score earned answering the questions on the final exam.

For example if you have approval to miss one semester exam and earn 80 % on the questions on the final examination then you will also earn 80% of the 80 points on the semester exam.

If it is necessary to miss any exam, you must contact me (prior to the exam if possible) via e-mail or phone if you are unable to access your email. In general, I will not grant you permission for the “approved miss” if one class meeting passes after the schedule exam date before you contact me.

For example, the Semester exam is scheduled on Wednesday and you have an unexpected illness immediately before the exam and miss the exam. If you contact me before the Monday’s class, then I will give you an approved miss and the exam points will be moved to your final exam. However, I reserve the option to require you to provide documentation supporting your request. If you wait and contact me after Monday’s class then you will not be given approval and you will receive zero points for that exam. All attempts should be made to contact me prior to the exam. The best way to contact me is via email; however, you are responsible to ensure conformation of your request since email is not completely reliable.

Homeworks

Homeworks will be given once a week on Wednesdays and are due to the following Wednesday. They will be returned to you on Mondays after class.

Pop quizzes

There will be occasional in-class pop quizzes. The dates of these quizzes will not be given to you in advance and are supposed to balance the fact that I do not require you to attend the class every time although this is strongly recommended. A pop quiz will typically be consisting of one essay question only and are not supposed to take you longer than 15 minutes. **The two worst performances will be dropped** from the grading process. This also allows you to miss up to 2 pop quizzes (if you have to attend an IU event for example) without facing overall point deductions.

SI sessions

During your SI sessions specific problems (similar to the homework problems) will be solved by your SI leader on the blackboard. After this presentation you will work on problems on your own (assigned by your SI) and he will help you if you have questions. None of these assignments are graded and attending the SI sessions is not mandatory but highly recommended. They will help you to master the homework questions and help you

to prepare for the exams. Further information on the SI sessions (which will start in the second week of the semester) will be provided later.

ATTENDANCE/ABSENCES

Lectures: Attendance is not recorded. However, you will be responsible for any announcements or course changes that are made in all lectures.

Examinations: Attendance is required. You will not be able to make up a missed exam. If you miss an exam, follow the procedures for reporting absences.

Disabilities

If you desire classroom/testing accommodations for a disability, contact your instructor outside of class to present the written supporting memorandum of accommodation from the Office of Disability Services for Students (www.indiana.edu/~iubdss). Requests for accommodations for disability must be received and authorized by your instructor in written form no less than two weeks in advance of need, in order to allow adequate time to review and make appropriate arrangements. No accommodation should be assumed until authorized by your instructor.

Academic Integrity

I follow the policy in the IU Academic Handbook with regard to cheating and academic dishonesty. A grade of zero will be given for any assignment or examination on which the student is guilty of cheating. The incident will be reported to the Dean of Student's Office.

Drop dates

The last day to withdraw from the class and receive an automatic "W" is Wednesday, October 26, by 4:00 p.m. This is also the last day to get a withdrawal slip signed without a special petition. After this date, you can obtain a late withdrawal from a course only by first receiving special permission from the dean of the college. Such permission is **VERY** difficult to get. University rules specify that permission for late withdrawals is "given only for urgent reasons relating to extended illness or equivalent distress" to a student who is "**passing** the course on the date of withdrawal."

Outline:

Topics	Readings
Introduction 1.) Overview and 10 Principles of Economics 2.) Comparative Advantage, Interdependence and the gains from Trade	Chs 1,2 and 3
Price Determination in Competitive Markets 1.) Demand curves and Demand Shifters 2.) Supply curve and Supply Shifters 3.) Equilibrium Prices 4.) Steps in Analyzing changes in Equilibrium-Comparative Statics 5.) Government intervention, Price controls and Taxes	Chs. 4 and 6
Elasticities 1.) Price Elasticity of Demand and Determinants 2.) Price Elasticity of Supply and its Determinants 3.) Applications	Ch 5
Consumption 1.) The consumers problem, Budget constraint and individual demand 2.) Prices and Marginal Utilities and the Law of diminishing Marginal Utility	Separate Notes plus Ch. 4
Production 1.) Firms technologies and the production function 2.) Firm Revenues, costs and profits 3.) Fixed costs, variable costs, average variable and average fixed costs 4.) Costs in the short and in the long run 5.) Intro to Industrial Organization: Comparing Market structures	Ch. 13, 14, 15, 16 and 17

<ul style="list-style-type: none"> 6.) Profit maximization and supply decisions in competitive markets in the short run 7.) Long run behavior 8.) Loss minimization versus Profit maximization 9.) Monopoly and Monopolistic competition and Oligopoly 	
<p>Welfare Economics</p> <ul style="list-style-type: none"> 1.) Consumer Surplus and Producer Surplus 2.) Market Efficiency 3.) Costs of Taxation 4.) Monopoly and Consumer Surplus 5.) Introduction to Externalities (negative versus positive externalities) 6.) Public goods, Free riding and the Tragedy of the commons 	Chs. 7, 8, 10, 11