

Principles of Economics I: Microeconomics
University of Michigan, Winter 2018
Econ 101-100: MW 10:00-11:30 in 140 Lorch Hall

Instructor: Adam Stevenson (adamstev@umich.edu)

Office Hours: Lorch Hall, room 154, Thursday 10 – 11:30, and by appointment

Head GSI: Travis Triggs (ttriggs@umich.edu)

Website: We maintain a Canvas site for this course. It contains lecture notes, recordings of lectures (posted under the “Lecture Capture” link), homework assignments and answers, and required non-textbook readings. Scores of all assignments will be posted.

Course Summary:

Microeconomics is the study of individuals – people and firms – as they interact within an economy. It is the analysis of choice, subject to tradeoffs. It is the language of social and governmental policy. It is the study of the optimal use of personal and social resources. Many such interactions come in the form of markets, and we study the functions of markets – their successes and failures (in the optimal use of social resources). Many other interactions involve the government, and we study the regulatory tools of government – their successes and failures (in the optimal use of social resources). We will learn the fundamental tools and language of economists, in order to better understand human interaction, the nature of production, and the challenges of governing an economy well and fairly.

Prerequisites:

None. You will frequently perform calculations, and will represent mathematical relationships with graphs. Comfort with math at the level of Math 105 (“Data, functions and graphs”) or above is strongly recommended.

Assigned Reading:

You are required to read *Microeconomics*, by Paul Krugman and Robin Wells. A 5th edition just came out; the 4th edition is more than adequate (and substantially cheaper); and older editions should be sufficient for the readings (you may of course buy new or used; physical or [electronic](#); purchased v rented). We will read almost the entire book, plus some extra material posted on Canvas. The reading required for a given day is listed the “Reading List” document in the Canvas “Readings” folder. See the “study advice for Econ 101 and 102” document in that same folder for my advice about how and when you should do the required reading. The tl;dr is: “skim before class, come to lecture, and read for detail after.”

GSIs and discussion sessions:

Your GSI should be your first reference for course-based questions and concerns. Their job is to be accessible and helpful. GSI sessions are your best chance to get answers to questions that arise from your time in lecture or study. Please consult your GSI first when you have questions about basic administrative and coursework issues.

GSI session is devoted to review and solving problems based on the previous week’s material. Problem solving includes review of the week’s homework and a new practice problem that you will work through as a group. This problem solving practice is critical to your performance on the exams!

Each GSI will hold two sessions of office hours each week. One is for his or her own students, and the other will be a “pooled” session where any Econ 101 students may drop in. Once they are scheduled, the times and locations of all pooled office hours will be posted on Canvas.

Evaluation structure

We will follow the Department of Economics convention in assigning letter grades. Approximately 75% of the class will earn some form of an A or B, and 1/3rd of the class will earn As (including, in each case, the “plus” and “minus” version).

We **NEVER** accept late assignments. There are no make-up or conflict exams given in this class (including and especially for simply missing the exam due to sleep or confusion about exam times). If you have another responsibility that prevents you from being able to take the exams at the times listed in the schedule below (like a job or another course) then you must re-schedule that obligation or drop this class. If you must miss an exam due to illness, you must inform me of your illness BEFORE the time of the exam, and you must fill out the Econ Department [official verification form](#) (also found on our “undergrad policies and procedures” webpage) and give it to Dr. Stevenson as soon as possible. Other “emergency-type” conflicts must be also brought to the instructor’s attention PRIOR to the administration of the exam.

There will **NEVER** be extra credit or additional projects given, at any point, for any reason, in this class. I will not drop or re-weight the value of any assessment due to illness, outside circumstances, poor performance, or any other consideration, once it has been taken. You are either unable to complete an assessment for excused and verifiable reasons, as described above, or you will be graded according to the same standards as everyone else.

Your grade in this course will be evaluated on the basis of the following components (with relative weights in parenthesis), all of which complies with [Economics Department policy](#). As part of that policy, if you believe that any particular score you’ve been given was unfair, you have 10 days to submit an official appeal once the assignment is available to pick up. For exams in particular, there is a document describing the full details of the grade appeal process posted on the Canvas site. Appeals submitted after the 10 day window will NOT be accepted.

Exams

(27% x 3 = 81%)

There will be three exams in the course. Two of these exams will be given during the term and one will be given during finals week. All three exams will have the same weight towards your overall grade, and all are non-cumulative (except to the extent that, for example, Chapter 7 material depends on comprehension of Ch 3 material). If you have an excused absence for one exam, the two exams you do complete will each be worth 43.5% of your overall grade.

Attendance: in-class practice problems:

(9%)

You must use an i>clicker for this class. I will use them starting in the second lecture. I will ask a number of questions in each lecture. Each day’s participation will have the same value towards your final grade. I assign points for both participation and correctness, but most points - around 80% - are for simple participation. We will drop your 5 lowest daily scores, meaning you can miss that many days with no grade penalty – that’s a “required” attendance rate of 75%. This drop policy covers participation that was not observed for **any** reason, including (but not limited to) malfunctioning clickers and absences

due to sports, job interviews, or illness. I will begin to assign grades based on clicker usage starting on the 4th lecture, on January 17th. Register your clicker on our Canvas site before this date.

Homework practice problems:

(10%)

Many weeks (see the course outline below for exact due dates), there will be a problem set due in GSI session. All homework for the semester is posted in the “homework” folder in the files section of Canvas. HW will be graded on two point scale. If your GSI determines that you put in a good-faith effort to get the correct answers, you will get full credit for that submission. The primary criteria for determining a good faith effort are whether you 1) attempt to correctly answer every question and 2) show the steps you took to arrive at your answer. You may work with classmates on your homework, but each student must submit their own write-up of the results. Homework points are assigned as follows:

2 points: The submission is a “good faith effort”.

1 point: Assignment submitted, but there is insufficient effort. Many questions, or important questions, were skipped. Little work is shown, or that work is sloppy, unclear, or inadequate to derive the answers given.

0 points: No assignment submitted.

We drop your single lowest HW score. No late assignments are accepted. Please submit your homework stapled, without tattered edges, and with your name written on it. We will dock one point per assignment where you fail to do this.

Misc. Rules:

Electronic Devices: Silence your cell phones, pagers, and whatever else you have that makes noise. It is very obvious when you’re watching YouTube or Snapchatting in class; it’s distracting to me, and to your peers around you. There’s lots of experimental evidence showing that people who take notes by hand perform significantly better on tests than people who use laptops in class. You won’t need a laptop.

Students with Disabilities: If you need alternate exam accommodations (such as extended time) due to a disability, you must submit your official SSD VISA accommodations form to Dr. Stevenson at least 2 weeks before the exam for which you are requesting accommodation. If you submit your form late, you will NOT receive the requested accommodation. Space must be reserved ahead of time.

Calculators: There will be numerical questions on the exams. You will want to use a *scientific* calculator on the exams, but you may only use ones that are non-programmable. Single-line calculators are preferable, and graphing calculators are not allowed – the graphing functions will never be useful, and the incentive to use them to cheat is too great. You may NOT use your cell phones, or any other multi-purpose electronic devices for their calculator functions.

E-etiquette: I will delete, without responding, any email that does not include at least a salutation, an indication of who is writing, and some semblance of the proper format (a rubric that includes reasonable attempts at spelling and the proper use of the shift and caps lock keys). Please also state that you are in my Econ 101 course, preferably in the email title.

Academic Misconduct and Plagiarism: I follow [Economics Department policy](#) with respect to academic integrity. If a GSI or I suspect you of plagiarism, cheating on exams, or any other academic dishonesty in ANY of your work, I will notify you of such. Absent a compelling explanation, your name will be forwarded to the Dean of Student Affairs. If your academic misconduct is “documented” by the Dean, then you will automatically fail the entire course (in addition to any University punishments assigned by the Dean). While I very much encourage students to study and prepare for class together, I expect that all work submitted is the student’s own.

Course Outline

Below is an outline for the course. If the pacing of the course needs to be adjusted, I will make an announcement in class and on Canvas. The calendar of due dates will not change.

	GSI section	Monday	Wednesday
Jan			3 Class intro
		8 Economic Models	10 Marginal thinking
	NO GSI SECTION	15 NO CLASS – MLK	17 Utility analysis Clicker attendance starts
	HW 1 due	22 Utility and Demand	24 Firm production
	HW 2 due	29 Cost and Supply	5 Supply and Demand
Feb	NO GSI SECTION	5 <u>EXAM 1 @ 8pm</u>	7 Comparative Statics
		12 Elasticity	14 Market Surplus
	HW 3 due	19 Price Regulations	21 Taxation
	No class Feb 26 – Mar 2: Spring Break		
Mar	HW 4 due	5 Externalities	7 Public Goods
	NO GSI SECTION	12 <u>EXAM 2 @ 8pm</u>	14 Perfect Competition
		19 Monopoly	21 Dividing the market
	HW 5 due	26 Interdependence and collusion	28 Game Theory
Apr		2 Labor Markets	4 Inequality and Poverty
	HW 6 due	9 Distribution and Policy	(Overflow / review)
		17 NO LECTURE; ONLY GSI SECTION THIS WEEK	19 NO CLASS; STUDY PERIOD
		Exam 3: Wednesday, April 25, 10:30am	