

Department of City and Regional Planning  
Fall, 2002

**Microeconomics for Planning Policy PLAN 210 A**

Instructor: Professor Meenu Tewari  
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Class meets T,R: 9:30-10:45  
Room: New East 102  
Office hours: T, R 11:15-12:45

Teaching Assistant: Elizabeth Rudd.  
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**COURSE OBJECTIVES:**

PL 210A is designed to give you a good grounding in the basic principles of microeconomics with an emphasis on areas that are of interest to planners: e.g., how households, firms, and governments make decisions about the use and allocation of resources, how market forces shape the outcomes of those decisions, what the limits of these market solutions are and the role of public policy in influencing or complementing these outcomes, especially where non-market issues of equity, ethics, and social welfare are concerned. We will try to use examples throughout the course that tie into other parts of the DCRP curriculum—such as spatial analysis, economic development programs, subsidies and taxes, urban land markets, transportation decisions and environmental policies.

## **COURSE ORGANIZATION:**

This 9 week module will be run as a combination of lectures, class discussions, and questions and answer sessions. All students are required to come to class having read all the assigned readings. This is essential for you to get the most out of the course. It is critical that you attend all classes. If, under special circumstances you are unable to attend a class you must inform me beforehand (unless it is an emergency).

The course has short weekly problem sets, two quizzes, and one Final Exam on the last day of the module. The first quiz will be half hour long, and CLOSED BOOK; the second quiz is a take home quiz; the Final will be OPEN BOOK, OPEN NOTES and 75 minutes long.

## **GRADING:**

Grades for the course will be based on the following weights:

Weekly problem sets: 30% of the grade

Two short quizzes: 15% **each**

Final examination: 30% (To be held on the last day of the 210A module—see below)

The remaining 10% of the grade will be based on class attendance and on improvement in your general performance over the course of the module.

## **READING:**

Our text book is Robert S. Pindyck and Daniel L. Rubinfeld (PR) Microeconomics, Fifth Edition, (Prentice Hall), and is available at the Student book stores. Additional recommended course readings will be held on reserve in Chapin Library.

**ASSIGNMENT AND EXAM SCHEDULE:**

	<u>Handed Out</u>	<u>Due in Class</u>
Assignment 1	8/27	9/3
Assignment 2	9/3	9/10
<b>QUIZ-1 [In Class]</b>	--	<b>9/17</b>
Assignment 3	9/17	9/24
Assignment 4	9/24	10/1
<b>QUIZ II (Take Home)</b>	<b>10/1</b>	<b>10/8</b>
<b>FINAL EXAM [75 minutes in class]</b>		<b>10/15</b>

**TOPICS**

Please note: Some sessions may be modified or extended based on student performance. Guest speakers may be invited to discuss special applied issues as they arise. These sessions will be announced during the course of the module.

**August 20 (T): Introduction: Getting a Sense of a Market**

**August 22, 27, 29 (R, T, R): Supply and Demand, and Elasticity**

**Sept. 3, 5, and part of Sept 10 (T, R, T): Behind the Demand Curve: Marginal Utility and the Concept of Opportunity Cost.**

**Sept 10, Sept. 12 (R): Utility Maximization, Substitution and Income Effects, and the Role of Incentives in Public Policy**

**Sept. 17 (T): Technology, Costs and Returns to Scale**

**Sept 19, 24 (R, T): Markets in Perfect Competition and the Effects of Taxes and Subsidies**

**Sept. 27 (R): Consumer Surplus, Producer Surplus and the Role of Government**

**Oct 1, 3 (T, R): Firm Behavior with Market Power, and Oligopoly and Monopolistic Competition**

**Oct 8 (T). Suggested Topic: The Structure of Cities and Regions**

**Oct 10 (R):. Wrap Up**

**Oct 15 (T): Final Exam**

**Oct 17 (R): HOLIDAY – FALL BREAK**