

ECON 102: Principles of Microeconomics
Roger Williams University, Fall 2014

Section 6 MWF 12:00-12:50 p.m. CAS 227

Section 1 MWF 01:00-1:50 p.m. SB 107

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Office: SB 208 or SB 335	Office Hours: MW 2:00-3:00 p.m.

Reading List (pull requests welcome):

<<https://github.com/szarka/RWUEcon102/blob/master/Fall2014/ReadingList.md>>

Course Description

An introduction to the modern market economy as a system of dealing with the problem of scarcity and choices made by individuals and businesses. Topics include resource allocation, price mechanism, supply and demand, optimizing economic behavior, costs and revenue, various market structures, market failure, government intervention and comparative advantage. The basic tools of microeconomic analysis will be applied to topics of current interest such as minimum wage legislation and competition policy. (3 credits)

There are no formal prerequisites for this course, but I will assume familiarity with basic high-school algebra. (No calculus, no trig, just simple functions and graphs.)

Course Objectives

Understand key economic concepts such as cost, incentives, arbitrage, comparative advantage, gains from trade, efficiency, government and market failure, unintended consequences, property rights, expectations, competition, and coordination.

Learn to use basic tools of price theory such as supply and demand to gain insight into and to communicate about practical questions of policy and business.

Learn to distinguish between positive and normative statements and to think critically about the way ethical commitments inform judgements about policy.

Gain an appreciation for the way in which market coordination accommodates diversity and allows people with diverse preferences and abilities to make one another better off through trade.

Readings

The required text for ECON 102 is *Principles of Economics* **OR** *Principles of Microeconomics*, 7th edition, by N. Gregory Mankiw, Cengage Learning, 2015. The former contains the material for both ECON 102 and ECON 101, while the latter contains only the material for ECON 102. One or both are available at the campus bookstore.

Freely-available short required “readings” (which may be blog posts, podcasts, videos, etc.) will be added to the [list](#) as the semester progresses. You should supplement these with regular “reading” of reputable news and commentary on related topics that interest you. I recommend the following as a starting point:

EconTalk <<http://www.econtalk.org/>>

Marketplace <<http://www.marketplace.org/>>

Planet Money <<http://www.npr.org/blogs/money/>>

The Wall Street Journal <<http://online.wsj.com/home-page>>

Businessweek <<http://www.businessweek.com/>>

Assignments & Grading

Your course grade will be based on three in-class exams (40%), a comprehensive final (25%), multiple short quizzes and in-class exercises (25%), and a course project (10%). I also reserve the right to add up to 5% to a final score for *exceptional* contributions to the class.

I expect that you will attend class regularly, but attendance is mandatory only in the sense that you can’t complete in-class exams or in-class exercises without being in class. (Please see the University attendance policy for more information.)

In-Class Exams: There will be three short multiple-choice closed-book exams on the dates in the schedule below. There will be ***no make-up exams***, but I will drop the lowest of your three exam scores. Feel free to bring a calculator or slide rule to the exams, but ***not a cell phone, laptop, etc.***

Final Exam: The final (mostly multiple-choice) exam will be given according to the RWU schedule. Currently, the final exam for section 6 is scheduled for 10 a.m. on December 12 and the final exam for section 1 is scheduled for 4 p.m. on December 12. Make sure your travel plans don’t interfere with this date.

Quizzes and In-Class Exercises: There will be at least ten short multiple-choice quizzes, administered via Bridges or at the start of class, based on the assigned reading in Mankiw. There will also be at least two, but probably more, opportunities for everyone to complete an in-class assignment; these could involve presenting answers to pre-assigned exercises, completing exercises in class, and participating in simulations. Both quizzes and exercises are

designed to give you frequent, immediate feedback about your understanding of the material as well as an incentive to keep up with the reading and attend class. There will be ***no make-ups***, but only your top ten scores will count toward your final grade.

Course Project: The course project is an opportunity to apply what you've learned to something relevant to your own program of study. There are three options for the course project, which will be due on or before December 3:

1. Lead a simulation: If there are volunteers, I will provide materials for two students in each section to lead the class in a paper-and-pencil simulation during our coverage of chapter 9 of Mankiw. This will require some preparation before the class and a short report on the results after the class. If there is sufficient interest and time, I may make another opportunity available.
2. Analyze a business: For this project I will provide additional guidance (via Bridges) in the form of a video, additional readings, and a set of questions to answer as you write a short "executive summary" style paper that provides economic advice to an existing or proposed business of your choice.
3. Analyze a policy issue: For this project I will provide additional guidance (via Bridges) in the form of a video, additional readings, and a set of questions to answer as you write a short "executive summary" style paper that discusses a pre-assigned economic policy issue.

Extra Credit: There will be no extra-credit assignments. The above should be plenty!

How to Study for This Course

Read each assigned chapter in the text, and take the associated quiz, before it is covered in class. Attempt any suggested exercises before they are covered in class. Make a note about anything that is unclear to you.

Attend class. Take notes. Ask and answer questions about the readings or exercises or about relevant news items.

After class, and periodically thereafter, review the material *actively*. This means not just rereading the text and your notes, but attempting to recall the information without your notes and then checking your understanding. One way to do this is by forming a study group and taking turns "teaching" the material while your peers check your understanding and help you fill in the gaps. If you're studying on your own, you might try creating a "deck" of questions and answers using Anki <<https://ankiweb.net/>> or Memrise <<http://www.memrise.com/>>. (You may also find material there that you can use or customize.)

How to Get More Help

I am available to you during office hours, and I *may* also be available before or after class if you make arrangements in advance. Don't wait for the week before an exam to stop by; come see me as soon as you realize you're stuck.

Email is also an excellent way to reach me. Before contacting me about an administrative issue, be sure that your question isn't already answered by the syllabus or reading list. When contacting me with a question about the material, be sure to tell me (if applicable) which specific section of the text, which specific exercise, which specific quiz question, etc. you are asking about.

Bad Question: "Could you explain elasticity to me?"

Better Question: "Why is 20 the answer to question X.Y about elasticity?"

Great Question: "I tried question X.Y and I calculated the answer as $(3-4)/(3+4) / (2-1)/(2+1) = -0.05$, but the answer is 20. Where did I go wrong?"

RWU provides many more ways for you to get help!

Tutorial Support Services (TSS), located on the second floor of the University Library within the Center for Academic Development, provides peer and faculty tutoring at no charge for all RWU students. The Math, Writing, and Science Centers offer assistance Monday–Thursday 9 a.m.–8 p.m.; Friday 9 a.m.–3 p.m.; Sunday 2 p.m.–8 p.m. See <http://rwu.edu/academics/academic-services/tss> for more information.

The Gabelli School of Business also provides tutors for its courses at no charge. Contact the administrative assistants in the GSB Dean's Office to make arrangements.

Disability Accommodations

Any student who feels they may need an accommodation based on the impact of a disability should first contact the Student Accessibility Services office <http://rwu.edu/academics/academic-services/sas/current-students> to coordinate reasonable accommodations. The SAS office will provide documented/registered students with the specific information needed to begin the accommodation process. SAS is located on the second floor of the Main University Library in the Center for Academic Development and is open from 8:00 a.m. to 5:00 p.m. Monday through Friday. The contact number is 401-254-3841. Please then see me directly during my office hours so that we can have a private conversation about your specific needs.

Honor & Respect

Last, but certainly not least, I expect you all to uphold the high standards of RWU:

We, the students of Roger Williams University, commit ourselves to academic integrity. We promise to pursue the highest ideals of academic life, to challenge ourselves with the most rigorous standards, to be honest in any academic endeavor, to conduct ourselves responsibly and honorably, and to assist one another as we live and work together in mutual support. <<http://rwu.edu/academics/academic-affairs/academic-standards>>

I expect that all work you submit will be your own, and that outside sources will be properly credited where appropriate. (For citations, the Chicago author-date system is most common in economics research, but APA or another standard style is also acceptable.) Cheating or plagiarism of any kind will result, at minimum, in a failing grade for the assignment.

In class, I expect that you will listen and participate rather than spend time on Facebook or your cell phone. If you must arrive late or leave early, then I expect you to minimize the disruption to the class by taking a seat near the door. Most importantly, I expect you to disagree with me and your classmates without being disagreeable. In return, I pledge to put the same effort into beginning and ending class on time, using your time productively, and respecting your ideas.

Tentative Outline

The exact timing and coverage of topics, though not the exam dates, may vary. I will update the [reading list](#) as we progress. There will typically be a short quiz as we begin each new chapter.

8/27-8/29	Ch. 1-2 Thinking Like an Economist
9/1	No Class (Labor Day)
9/3-9/5	Ch. 3 Interdependence & Gains from Trade
9/8-9/12	Ch. 4 Supply & Demand
9/15-9/19	Ch. 5 Elasticity
9/22-9/24	Ch. 6 Government Policies
9/26	Exam #1
9/29-10/3	Ch. 7 Efficiency
10/6-10/8	Ch. 8 Taxation
10/10	Career Center Presentation
10/13	No Class (Columbus Day); Class on Tues. 10/14 instead
10/14-10/17	Ch. 9 Trade
10/20-10/27	Ch. 10 Externalities / Ch. 11 Public Goods
10/29	Exam #2
10/31-11/5	Ch. 13 Costs of Production
11/7-11/10	Ch. 15 Monopoly (skip 15-2a)
11/12-11/17	Ch. 14 "Perfect" Competition (plus 15-2a)

11/19	Review & Introduction to Class Projects
11/21	No Class Meeting (customized class project materials on Bridges)
11/24	Exam #3
11/26-11/28	No Class (Thanksgiving)
12/1-12/5	Ch. 17 Oligopoly & Game Theory
12/8	Review & Summing Up
12/12	Final Exam