

E/M 102 Principles of Microeconomics

Fall, 2015

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**Phone:** 933-7453 (office), 934-4041 (home—reasonable hours, please)

**Office Hours:** 9:15-9:50 MTWF, 2:30-3:30 MW, and by appointment (and feel free to just drop in when I'm around)

**Text:** *Introduction to Microeconomics*, fifth edition by Edwin Dolan, 2013, BVT

This course is designed to provide a solid grasp of the analytic tools and methodology of microeconomics. In many respects, this course is more about the discipline of economics than E/M 101, since it looks more at the behavior of individuals, households, firms, and units of government. The explanation of behavior is a primary difference between economics and the other social sciences.

Upon completion of this course, you will be prepared for advanced coursework in applied courses like Public Finance (385), Government and Business (386), Labor (387), hybrid courses like International Trade & Finance (384), Environmental Economics (285) or Economics of Sports (286), or upper-level theory courses like Managerial Economics (360), or Intermediate Microeconomics (202). Even if you do not take other courses in our department, this course will help you to better understand the economic environment in which we live--you will find, for example, that political rhetoric and news reports on economic policy often cannot stand up to much analytical scrutiny. Using economic thinking properly will enable you to make better decisions in many areas of your lives, even if the decisions don't appear to relate to classic economic problems.

The required text for the course is *Introduction to Microeconomics*, by Edwin Dolan. I consider the text to be a reference for lectures and classroom discussion. This means you should attempt to read assigned materials **before** class, so you can better understand lectures, ask intelligent questions, and participate in discussion. Then, you should refer to the text as needed after class to clarify material you may not have fully understood. If you are having problems after a second reading, it is probably a good idea to come and see me or the tutors (or both) for help.

Grades will be based on 800 possible points. There will be 100 points worth of homework, five one-hour quizzes worth 100 points each, and a 200-point final, half of which will be another unit quiz and half a comprehensive test of fundamental concepts. Likely dates and required readings are noted on the accompanying schedule. I don't have a fixed grading scale, since scores will vary somewhat with the difficulty of exams. I post an approximate curve after each quiz/exam, so that you can keep track of how you are doing, and you should always feel free to ask me about your standing. **You are expected to take quizzes and exams when scheduled.** The dates shown are pretty firm, so please keep them in mind and notify me as much in advance as possible of any conflicts you may have. If you have schedule conflicts, you must make arrangements with me **before** the quiz/exam to be allowed to make it up.

I consider class participation in calculating grades for borderline cases, and I strongly encourage you to participate with questions and comments in class. That implies that class attendance is also important—I don't specifically require it, but I don't teach straight out of the book, and you will probably find yourself getting lost if you miss much, plus I'll notice it and take it into consideration. I also consistently find that when I teach multiple sections of the same course that the section that asks more questions and starts more discussions has more success with exams, so engagement and participation "pay off." I rarely hear "dumb" questions in class, and it is unfortunate when students are afraid they will look stupid by asking about things they don't understand. If you don't understand something, there are probably several others in the same boat, and perhaps my explanation or that in the text has not been clear enough. Ask for help--that's how we learn.

It is also worth noting at the outset that some of you may not do particularly well in this class. **That's ok.** One of the things we will study this semester is called *comparative advantage*. Not everyone is equally good at everything. Economics is about a particular way of thinking about things, and it is not for everyone. I have absolutely no less good will for someone who gets a C in my class than for someone who gets an A, *as long as I feel I've gotten the best effort each student can give*. If you're skipping class every other day or not turning in assignments, don't expect much sympathy if you have trouble on the exams. But if you're here every day and working hard, we'll get you through the class OK almost every time, and I will be happy to help you in any way I can.

Tutors will be available for the class, schedule and location to be announced. If you find that the tutors are not available, or are not giving you the assistance you need, please let me know. Also keep in mind that the tutors are there to help you, not to do your work for you. When you go to see them (or come to see me), try to have questions prepared and be able to point out the section(s) of the book, or your notes that you are finding confusing. This makes it much easier to assist you than a blanket statement like "I'm lost."

Gustavus has adopted an Honor Code, which you all agreed to abide by when registering. The following statement is to appear on every graded paper: "On my honor, I pledge that I have not given, received, nor tolerated others' use of unauthorized aid in completing this work." Although I have never needed to implement it, I inform you now that my policy is to give a zero on the first offense, and flunk anyone caught cheating or using someone else's work on exams or homework a second time. On homework assignments, I expect the work you turn in to be your own, but you are encouraged to work with others unless specifically asked not to do so. Homework assignments are intended to help your preparation for exams, so you need to be able to do the work independently. At the same time, you can learn a lot from each other, and I think it is important to take advantage of that opportunity.

Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and, as a result, need reasonable academic accommodation to participate in class, take tests or benefit from the College's services, then you should speak with the Disability Services Coordinator, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services (<https://gustavus.edu/advising/disability/>) is located in the Advising and Counseling Center." Coordinator, Kelly Karstad, ([kkarstad@gustavus.edu](mailto:kkarstad@gustavus.edu) or x7138), can provide further information.

Support for English learners and multilingual students is available through the Academic Support Center's Multilingual Learner Academic Specialist, Jody Bryant ([jbryant2@gustavus.edu](mailto:jbryant2@gustavus.edu) or x7197). The MLAS can meet individually with students for tutoring in writing, consulting about academic tasks, and helping students connect with the College's support systems. When requested, the MLAS can consult with faculty regarding effective classroom strategies for English learners and multilingual students. The MLAS can provide students with a letter to a professor that explains and supports appropriate academic arrangements (e.g., additional time on tests, additional revisions for papers). Professors make decisions based on those recommendations at their own discretion. In addition, English learners and multilingual students can seek help from peer tutors in the Writing Center ([www.gustavus.edu/writingcenter/](http://www.gustavus.edu/writingcenter/)).

Questions about these policies can be directed to Dean Paula O'Loughlin ([poloughl@gustavus.edu](mailto:poloughl@gustavus.edu) or x7541) or Dean Brenda Kelly ([bkelly@gustavus.edu](mailto:bkelly@gustavus.edu) or x7541).

A tentative schedule, subject to change, is provided below. Each class tends to adapt to new material somewhat differently, so there may be periodic adjustments to reflect that, though past experience suggests that the days listed for quizzes/exams are pretty firm.

<u>Week</u>	<u>Topic</u>	<u>Chapter Readings</u>
9-8	Introduction, models, scarcity and choice, exchange	1 and appendix
9-14	Economic decision making, demand and supply	2, 4.1
9-21	Markets, unrestricted and restricted	
	<b>Quiz #1, Wednesday September 23, Chapters 1-2, 4.1, appen. 1</b>	
9-28	Better understanding demand: elasticity(ies), choice	3, 5 and appendix 5
10-5	(Nobel week) Better understanding supply: production and costs	8 and appendix
10-12	Production and costs	
	<b>Quiz #2, Tuesday October 13, Chapters 3, 5, 8 and appen 5, 8</b>	
10-19	Market structure, perfect competition, monopoly	9-10
10-26	(fall break) Monopoly, regulation, price discrimination	12.2-12.4
	<b>Quiz #3, Thursday, October 29, Chapters 9-10, 12.2-12.4</b>	
11-2	Oligopoly, game theory, antitrust	11, 12.1
11-9	Monopolistic competition	
	<b>Quiz #4, Friday, November 13, Chapters 11, 12.1</b>	
11-16	Resource markets, labor markets and public policy	13, 15
11-23	Poverty and Income Distribution	16
	<b>Quiz #5, Thursday, December 3, Chapters 13, 15-16</b>	
12-4	Market failure: externalities, public goods and policy	4.2-4.3, 6
12-7	Environmental policy, taxation	handout
12-14	International trade	7

**The final exam will have a 100 point quiz on new material (chapters 4.2-4.3, 6, and the handout), and a 100 point fully comprehensive portion (everything from quizzes 1-5), tentatively scheduled for 3:30 pm on Friday, December 18**