

# **Econ 1011**

## **Principles of Microeconomics**

### **Spring 2014**

**Professor Brian W. Rogers**

Class information:

Section 2

TR 1:00 – 2:30pm

McMillan G052

TA office hours and contact (until Spring break):

Mondays: 5:30 – 7:00pm, Seigle Hall L023

Wednesdays: 1:30 – 3:00pm, Seigle Hall 375

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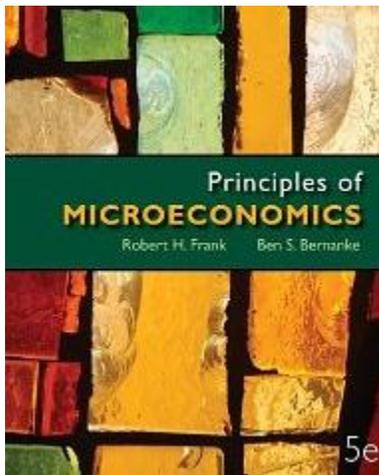
## Course Objectives and Learning Outcomes:

At the end of the course the student should be able to:

- Identify and understand the core principles and concepts in microeconomics, namely, scarcity, opportunity cost, cost-benefit principle, rationality, sunk cost, marginal analysis, absolute and comparative advantage and externalities.
- Identify and understand the determination of equilibrium prices and quantities using forces of supply and demand.
- Apply microeconomic tools to understand the economic behavior of consumers and producers.
- Apply microeconomic tools to understand how markets and value are shaped by outside interventions.
- Identify and understand the different market structures in modern economies.
- Identify and understand the concepts of externalities and market failure.
- Analyze current economic news using the frameworks presented in class.

## Study Materials:

The textbook is required.



PRINCIPLES OF MICROECONOMICS, 5th ed., by Robert Frank and Ben Bernanke, McGraw Hill Publishers, ISBN: 978-0077318512.

You do need to purchase this book. You may purchase an older edition of the book as long as you take responsibility for updating any material that may be missing from earlier editions.

You may also register for McGraw Hill *Connect*, through their website at <http://create.mcgraw-hill.com/wordpress-mu/success-academy-student/>. Registration on Connect is not mandatory although you may find it to be a beneficial study aid. Information about the text book is

available at: [http://highered.mcgraw-hill.com/sites/007731851x/information\\_center\\_view0/study\\_econ\\_app.html](http://highered.mcgraw-hill.com/sites/007731851x/information_center_view0/study_econ_app.html)

Earlier editions of the book used to be accompanied by a hard-copy study guide. Two copies of this study guide have been kept on reserve at the Olin Library. Just ask the front desk if you wish to review a copy. No printed copy of the Study Guide is available for the 5<sup>th</sup> ed. of the book (as far as I am aware). You may also access a Study Guide Mobile Application for iPhones at <http://itunes.apple.com/us/app/studyecon-frank-5e/id482903959?mt=8> and for Androids at <https://play.google.com/store/apps/details?id=com.mgh.Frank#?t=W251bGwsMSwxLDIxMiwiY29tLm1naC5GcmFuayJd>

*(Interesting extra reading)* THE ECONOMIC NATURALIST: In Search of Explanations for Everyday Enigmas, by Robert Frank, Perseus Publishing, ISBN: 13-9780465003570

### **Internet and E-mail Access:**

I must be able to communicate with you via your email address that is associated with the class roster in Blackboard. It is your responsibility to read this email on a regular basis. If you use a third party email service like Google or Hotmail (really?), please make sure that your WUSTL email is forwarded to this address or that your other account is registered with the University and is reflected on the class roster in Blackboard.

A significant part of your class material will be posted on the Econ1011 homepage on the Blackboard website. To access the site, direct any standard web browser to <https://bb@wustl.edu> and log in using the same credentials that you used to register for classes. You will find the syllabus, handouts, readings and power point slides posted under the relevant sections. Please make it a habit to read the announcements posted on Blackboard before coming to class.

### **Groups and seating:**

- After the second week of class, I will assign groups of roughly 5-6 students each.
- All group exercises (see below) must be completed within your assigned groups
- Once the groups are assigned, please make it a habit to sit in close proximity to your groupmates throughout the semester

### **Grading components:**

- Final Exam - 50% of course grade.
- Two Midterm Exams - 20% of course grade, each, for a total of 40%.
- In class exercises - 10% of course grade.

**Midterm and Final Exam Policy:**

- You will be offered two midterm exams and one cumulative final exam. All exams are mandatory.
- The midterm exams will have a combination of multiple choice type and free-response type questions. The final exam will only contain multiple choice type questions.
- Each Midterm Exam will test you on the additional material covered before each test. The Final exam, on the other hand, is cumulative - all materials covered during the semester are included on the syllabus for the test.
- For your exams you will need nothing except a # 2 pencil (to fill in the scantron sheet to be provided by me), an eraser and a pen (optional and only to write the free-response answers). You may use a #2 pencil only for the multiple choice part.
- You are allowed to use a basic or a regular scientific calculator on the exams. You are not allowed to use a graphing calculator, an “advanced” scientific calculator or the calculator on your cell phone/laptop/notebook.

**In-class exercises:**

- Throughout the course, we will conduct roughly ten in-class exercises
- Some of the exercises will be completed individually, while others will be completed in your assigned groups
- You can only get credit for an exercise if you are in attendance. If you happen to be absent, you will not receive credit for the exercise.
- If you must be absent from class due to a university sanctioned event and have provided me with documentation thereof in advance, then you will be excused from any exercise that day.
- You may miss one exercise without penalty. If you miss a second exercise, you may submit an extra credit assignment (explained below) to replace one grade from an in-class exercise.

**Late Assignments and Missed Exams Policy:**

- There are no opportunities to make up an exercise
- All exams are mandatory. If you miss an exam you will receive a score of zero on it. The only exceptions to this rule are if you have a documented medical excuse, or a documented family emergency requiring previously unforeseen out of town travel. If you are unavailable for an exam due to official WUSTL business, you need to provide me with (at least) a two-week advance written notice and any other documentation that I may require to establish that missing the exam is necessary in the greater interests of the University community. If you have a medical or a family emergency, I will need verification regarding the same from your Wash-U Advisor or the Dean’s office. Beyond everything, I will exercise my discretion to grant an excuse or refuse one based on my judgment.
- There is no make up of the Final Exam. If you don't take the final exam, you will receive a score of zero on it.

- If you cannot take a midterm exam and have been officially excused by me, the Final Exam will take extra weight to compensate in computing your grade. If you miss one midterm exam the Final will be worth 70% of your semester grade. If you miss both midterms, the final will be worth 90% of your semester grade.

### **Exam Logistics and Etiquette:**

- Your exam seating will be determined by me and is pre-assigned. You will receive an email from me informing you of your assigned room and seat number.
- Please remember to silence your phones. You are not allowed to read text messages or use any other feature of your phone while you are physically inside the exam room. Doing so is a violation of the honor code.
- You may not leave the exam room without my permission for any reason at all. You should try not to visit the restroom while the exam is in progress. If you must, do not be surprised if you are accompanied by one of the TAs.
- Finally, pay attention to where you are looking. Do not look at your neighbor's exam even inadvertently while you are in "thinking mode". Do not talk to your neighbors. If you have a question, ask me or one of the TAs. This is just to remind you that you have to be careful about your behavior while taking an exam.

### **Determination of Grades:**

- The grading scale will be determined in class.
- If you are taking the course pass/fail, you must score a C or higher at the end of the semester for a passing grade.
- If you are taking the course for audit, you must score a minimum of 50% on the in-class exercises.

### **Attendance and Extra Credit Policy:**

- Attendance is required for this class.
- If you are running more than 10 minutes late, please do not enter the classroom. If you do, you will most likely be asked to leave.
- Do not leave class early.
- If you wish to receive extra credit, you may submit a (typed, 12pt) one-half page account of an example from the news, your experience, or a phenomenon in which a framework or principle from class sheds light on your example. A successful submission is worth 1 percentage point on your final course grade. The deadline is the beginning of the beginning of the last day of class. To be successful, you must clearly explain the behavior or puzzle, how one of our economic tools helps understand that puzzle, and apply the principle correctly to arrive at a clearer understanding. This will take careful exposition to be done in the space constraint. Credit will be determined by me and there is no re-grading of extra credit submissions.

### **Topics:**

Chapter 1: Introduction: Thinking Like an Economist

- Chapter 2: Comparative Advantage
- Chapter 3: Supply and Demand
- Chapter 5: Demand
- Chapter 6: Perfectly Competitive Supply
- Chapter 7: Efficiency and Exchange, and the Invisible Hand in Action
- Chapter 8: Monopoly, Oligopoly and Monopolistic Competition
- Chapter 9: Games and Strategic Behavior
- Chapter 10: Externalities and Property Rights
- Chapter 11: The Economics of Information
- Chapter 14: Public Goods and Tax policy (time permitting)
- Chapter 12: Labor Markets, Poverty, and Income Distribution (time permitting)

**A tentative schedule and Important Dates:**

Material before MT 1:	Chapters 1, 2, 3, 5 and 6
Tuesday, February 18	Midterm 1
After MT 1 and before MT 2:	Chapters 7, 8, 9, 10
Thursday, April 3	Midterm 2
After MT 2 and before Final Exam:	Chapter 11, and, time permitting, 14 and 12
Thursday, April 24	Last day of class
Tuesday, May 6, 1-3pm	Final Exam; Room and Seat are pre-assigned and will be announced later in the semester

This is a tentative schedule only. I may adjust it during the course of the semester as needed.

**NOTE:**

I reserve the right to change this syllabus as time and circumstances dictate. Necessary changes will be announced in class and a copy of the revised syllabus will be posted on Blackboard. Finally, if the rules above seem inflexible to you, please understand that it is the best way I know to manage a large lecture with a reasonable balance of efficiency and equity.