

Principles of Economics--Price Theory

Economics 2030

FALL, 2009

Office hours: T,TH 10:45 a.m.-12:30 p.m., 1:30-2:15 p.m. (formal)/Virtual (e-mail)/ or by appt.

Professor: David Dickinson

Phone: 7652

Office: Raley 3090

Our class Web page:

<http://www.appstate.edu/~dickinsondl/classmicro2030/20301.html>

Required Text: Principles of Economics 5th edition. N. Gregory Mankiw.

Suggested vacation (fun) readings in economics: The Armchair Economist, Landsburg. Freakonomics, Leavitt and Dubner. Freedomnomics, Lott (the rebuttal to Freakonomics). Or, if you like murder mysteries, three books by Marshall Jevons are not bad either: Murder at the Margin: The Fatal Equilibrium: A Deadly Indifference.

ALSO REQUIRED: Aplia registration at www.aplia.com. Aplia fee=\$35 (payable on the Aplia site, not to me or ASU).

Note: If you have not met the course prerequisites for this course, you are subject to being dropped even if you were able to register for the class initially.

****During this course, to complete weekly graded assignments, you will be required to access the APLIA website. To access the website, you need to register for an account with Aplia at <http://econ.aplia.com>. On the first day of class, I will provide you with an instruction sheet as well as a course key so that you can register. Please register on the website within 24 hours after I pass out the course key (see attached registration instructions). Graded homework is generally due EVERY WEEK, starting the first week of classes.**

The goal of this course is to give students a hand-on approach to learning microeconomics—the study of economics at the individual decision-making unit level. Upon completion of this course the student will be able to:

- 1) Identify the concepts of scarcity and opportunity cost as they relate to the study of economics.
- 2) Identify the determinants of supply and demand and use the supply and demand model to illustrate changes in prices and output.
- 3) Define price elasticity of demand and supply and demonstrate the relation between the price elasticity of demand and total revenue.
- 4) Identify the behavior of the firm as it relates to production, price, cost, and profit.
- 5) Demonstrate the welfare effects of alternative market structures.
- 6) Describe how the concepts of comparative advantage and specialization lead to gains from trade.

Your grade in this course will be based on graded homework and exams.* Specifically, the percentage components of your grade are as follows:

<u>Graded Homework (all homework together)</u>	30%	(you have 2 “free passes”...see below)
<u>Exam #1</u>	20%	
<u>Exam #2</u>	20%	
<u>Exam #3 (on last regular class day)</u>	20%	

*Bonus weighting of 10% on the highest component of your grade (so, one of your exams will be worth 30%, or your Aplia homework could be worth 40%, depending on whether your grade is higher on the graded homework or one of the exams).

NOTE: Our scheduled exam time during final exam week will be used for make-up exams from having missed an exam during the semester for a valid *and documented* University excuse reason (see next paragraph).

Only a valid and **documented** university excuse for an absence (**yes**, I require appropriate written documentation) can mitigate a missed exam. With a valid University excuse, I will typically allow a make-up exam during our scheduled final exam time slot, but the burden is on the student to provide written documentation attesting to the validity of the excuse for the absence, **and I require the documentation within 5 days of the missed exam date (unless you contact me as to why this is not possible)**. Absence due to documented illness, death in the family, or ASU sports travel for athletes, are examples of valid University excuses (you still need to provide me with documentation, however). Sleeping through the alarm, power went out (i.e., alarm set but did not go off), or leaving early for Thanksgiving break, are examples of non-valid University excuses. You are required to have documentation for your excuse in order to do a make-up exam during final exam week.

Practice and graded homework (problem sets and news analysis) will be assigned. They can all be accessed from the Aplia website for our class. I have **a policy of two free-passes** for the graded homework throughout this semester. There will be cases when you may be unable to submit an assignment on time, whether for personal reasons or due to some technical glitch. Your two-free passes are for such instances, so please use them wisely. The free passes allow you to drop what would otherwise be a homework score of zero, no matter what the reason for the zero.

The exams will be spread out roughly equally throughout the semester, with at least 2 class days of notice before the exam date (and so exams are never surprise exams unless you aren't showing up to class). I will generally announce the exams by posting a new announcement on your Aplia page (**not** on your ASU AppalNET page).

Please note that it is my new policy to not allow students to use anything on the exam except a pen/pencil and eraser and SIMPLE calculator. **Graphing Calculators, PDAs, cell-phones, books/notes are strictly prohibited during all exams.** Basically, anything that can graph or store text is prohibited. If you are in doubt, go to Walmart and buy a simple calculator for \$1-\$2. I am serious about this policy, and given the recent trend towards creative cheating using cell-phones and such, you need to be serious about turning your phones off or leaving them home during exams. Nothing we do in this class will require more than the basic math covered in the core curriculum math requirements (as well as the Aplia pre- and post-test math homework), and so you should not even need a calculator at all.

I have included in the syllabus a brief outline of the topics to be covered this semester. You are responsible for **all** material in the chapters unless otherwise noted. This means that you should read and take seriously all material we cover, even if not covered in class explicitly. Take responsibility for your own learning and assume that material is fair-game for the exam. It is not my intention to test you regularly (or to a great extent of the total course points) on material not addressed explicitly in class, but I will not commit to limiting exam questions to those only covered *explicitly* in class (I get all sorts of claims then as to what I actually said or covered in class, and it becomes a he said/she said argument). Your attendance and participation is expected everyday, not just on experiment or exam days. I encourage visits to my office hours for help, but also realize that I may ask to see your notes or ask if you have been missing class. Office hours are not intended for me to repeat lectures in a private setting.

I encourage any student needing special accommodations for class (attendance, exams, etc.) to please see me as early as possible in the semester. Appropriate arrangements will be made for those with legitimate and documented disabilities.

CLASS OUTLINE

SECTION 1: Supply and Demand and their applications

- ❑ Chapters 1-2: Brief Intro
- ❑ Chapter 3: Gains from Trade
- ❑ Chapter 4: Supply and Demand and Market Equilibrium
- ❑ Chapter 5: Elasticity and Applications
- ❑ Chapter 6: Government Policies

Exam #1 likely at this point

SECTION 2: Policy Efficiency, Externalities, Production Costs, and Market Structure

- ❑ Chapter 7: Consumer/Producer Surplus, Market Efficiency, applications
- ❑ Chapter 10: Externalities
- ❑ Chapter 11: Public Goods
- ❑ Chapter 13: Costs of Production
- ❑ Chapter 14: Competitive Markets

Exam #2 likely at this point

SECTION 3: Other market structures, input markets, labor topics, consumer theory

- ❑ Chapter 15: Monopoly
- ❑ Chapter 16: Monopolistic Competition
- ❑ Chapter 17: Oligopoly
- ❑ Chapter 19: Earnings and Labor Market Discrimination

Exam #3 likely at this point.

Grade appeals in my class *must* follow this procedure....no exceptions!

Step 1) Make your appeal **in writing** (i.e., computer processor or typewritten, **not** handwritten) **no later** than the beginning of the next class meeting. Please be brief, but I ask that you put in enough effort to coherently describe why you think you deserve more points than you received. In the event that you find yourself unable to explain why you think more points are deserved, then it is unlikely that your appeal will have any effect on your grade. (note: if I've simply added your points incorrectly, then no appeal is needed. Just come talk to me and I'll fix it on your grade sheet)

Step 2) I will look only at appeals that are submitted to me in writing within the specified time frame. I will determine based on your argument and my judgment of whether or not your appeal merits any additional points given to your score on that item. Submission of an appeal in no way carries an implied promise that you will receive more points, or that I will grade your next assignment easier. I will be fair to the best of my judgment in handling appeals and if you have not yet heard from me you can inquire during the next class period as to the result of your appeal.

Step 3) If you feel that the results of your appeal are unwarranted, then you are welcome to speak to the economics department head about the possibility of any further appeals procedures.

The key point is this: I think I'm fair and I'm willing to admit when I've made a mistake. On the other hand, many students informally appeal at times (translation: they complain about their grade before they've really looked at the question and why their response may actually be incorrect) based on emotion and reaction. The process of having appeals be submitted in writing not only forces you to think about the question and possible mistake you or I may have made, but it also limits the appeals to those that are likely meritorious and not frivolous.



Student Registration and Payment Instructions

Course Name: Prin Microeconomics-Fall

09

Start Date: 08/25/2009

Instructor: David Dickinson

Course Key: 4ED7-NHFZ-3UUG

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.
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Registration

If you have never used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Click the New Student link and enter your Course Key: **4ED7-NHFZ-3UUG**. Continue following the instructions to complete your registration.

If you have used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: **4ED7-NHFZ-3UUG**. If you are not prompted for a new Course Key, click the Enter Course Key button to enroll in a new Aplia course. Enter your Course Key when you are prompted.

** You will have different payment options after you register for your course. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 09/14/2009.*

Payment

Aplia Access

- **From Aplia:** Purchase access to your course from Aplia's website for \$35.00 USD.