

Economics 2030
Spring 2017
Dr. Perri

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Class webpage: <http://www.appstate.edu/~perritj/classes.htm>

OFFICE HOURS. I am generally available from 10:00 A.M. to 2:30 P.M. on Tuesday, & 1 to 2:30 P.M. on Thursday. These are the times when I can usually be found in my office. Students who wish to be sure of finding me in my office can call before coming to see me or can make an appointment. If you wish to contact me, & I am not in my office, use e-mail. I will respond to e-mail messages; I will not respond by telephone when messages are left for me.

BOOK. Your text is **Microeconomics** (Daron Acemoglu, David Laibson, & John List, 1st edition).

** The deadline for dropping this course is Monday, 03/27/17. **

EXAMS. There are four multiple choice exams, each with 25 questions (one point for each question). Each exam covers one section of the material. There is no final exam. A comprehensive make-up exam with 25 questions will be given to anyone who misses one of the first four exams, & to no one else. It will be given in the **time for the final exam** for this class.

- If you miss one exam (for any reason), you may take the makeup to substitute for the missed exam.
- If you miss more than one exam, then each exam missed must be for an excused absence, in which case I will then decide how to determine your grade. If you miss two exams, & only one is for an excused absence, you take the makeup to replace one exam, & get a zero for the other exam. It is extremely unlikely more than one exam will be missed with an excused absence.
- Note: there are very few reasons I will accept for excused absences. Severe illness or absence for university business are about the only acceptable reasons for an excused absence.
- **For all exams, bring pencils, erasers, a calculator (not your cell phone), & your Banner ID.**

TOTAL POINTS. S_1 = score on your best exam, S_2 = score on your 2nd best exam, S_3 = score on your 3rd best exam, & S_4 = score on your worst exam. Then your grade will be based on total points determined as follows:

$$\text{total points} = 3S_1 + 2S_2 + 2S_3 + S_4.$$

NO points will be given for "extra credit" work (term papers, etc.). Grade determination will be exactly as stated above with NO exceptions.

<u>Course Grade</u>	<u>Total points</u>
A	160-200
A-	157-159
B+	154-156
B	141-153
B-	138-140
C+	135-137
C	122-134
C-	119-121
D+	116-118
D	103-115
D-	100-102
F	000-099

Exam times: all exam times will be announced at least one week in advance. Exam 4 is at the regular class time on **Wednesday, 05/03/17**.

Make-up exam: 3:30 Mon./Wed. class: 3 P.M., Mon., 05/08/17.
5:00 Mon./Wed. class: 6 P.M., Mon., 05/08/17.

Course Outline

① INTRODUCTION, OPTIMIZATION, & DEMAND & SUPPLY

- a) Review of diagrams: read appendix to Chap. 2.
- b) Principles and optimization: read Chaps. 1-3.
- c) Supply & demand: read Chap. 4.

EXAM ONE

② CONSUMERS, PRODUCERS, & INCENTIVES

- a) Consumer behavior: read Chap. 5.
- b) Sellers (cost, revenue, & profit): read Chap. 6.

EXAM TWO

③ COMPETITION, TRADE, EXTERNALITIES & PUBLIC GOODS, & GOVERNMENT

- a) Competition & the invisible hand: read: Chap. 7.
- b) Trade: read: Chap. 8.
- c) Externalities & public goods: read: Chap. 9.
- d) Government (taxation & regulation): read: Chap. 10.

EXAM THREE

④ TRADEOFFS INVOLVING TIME, FACTORS OF PRODUCTION, & ECONOMICS OF INFORMATION

- a) Tradeoffs involving time: read Chap. 15.
- b) Markets for factors of production: read Chap. 11.
- c) The economics of information: read Chap. 16.

EXAM FOUR

PROBLEM SETS. There are four problem sets (one for each section of the course) with answers to help you prepare for exams. These are available at: <http://www.appstate.edu/~perritj/classes.htm>.

CLASSROOM BEHAVIOR You should come to class to take notes, & to ask & answer questions. Inappropriate classroom behavior includes sleeping or doing things other than taking notes (*e.g.* **checking your text messages** or doing an assignment for another class). Do not habitually come to class late. Since people who leave class break the concentration of the rest of us, **anyone who leaves class without my permission is subject to a 50 point PENALTY (out of 200 possible points). The same penalty may apply to anyone looking at a cell phone.** If you have an appointment which requires you to leave class early, tell me before class.

STUDENTS WITH LEARNING DISABILITIES. If you have a verifiable learning disability, & request special treatment for exams, **you must speak to me in advance of the 1st exam.**

Among many other things, upon completion of this course a student should:

- 1) identify the differences between *price theory* (microeconomics) & macroeconomics;
- 2) identify the determinants of *supply & demand*, & use these tools to illustrate changes in price and output;
- 3) understand price elasticity of demand & supply
- 4) understand the behavior of a firm in regard to output, price, cost, & profit;
- 5) describe how comparative advantage & specialization lead to gains from trade.

RIGOR, STUDYING, & PERFORMANCE.

I. You should read assigned material before it is covered in class. Do not come to class unprepared & then wonder why you do not understand the material covered in class. You must do the work. My role is to help you understand the material. It is highly unlikely those who do not study will receive a decent grade. If you do not understand material, ask me.

II. Do not attempt to **memorize** material. Rather, try to **understand** the material by asking why something is.

III. Some students who do not do well on exams complain that they have put a lot of **effort** into studying, & should be rewarded for their effort. In anticipation of such a complaint, note the following:

1) How do I know how much effort one puts in, other than attending class? How can I reward what is unobservable to me?

2) What some students believe is a lot of effort is not what **I** believe is a lot of effort. Listening to music, updating your Facebook page, exchanging text messages, etc. while studying means one is NOT doing much studying. Trying to memorize material (see II. above) also does not involve useful effort.

3) The following is true.

$$[\text{performance}] = [\text{ability}] \times [\text{effort}].$$

Some who put in a lot of effort have low ability, & thus have low performance. What I observe is performance, & that is the basis of one's course grade.