

**Econ-E 201**  
**Section 8434**  
**Introduction to Microeconomics**  
**Indiana University**  
**Spring 2016**

**Instructor:** Jake Schild

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**Office Hours:** MW 10:00-11:30am or by appointment

**Office Location:** Wylie 250

**Course Time:** WMF 9:05-9:55am

**Course Location:** GA 1112

**Textbook** (Required)

*Microeconomics* (4th Edition) by Krugman and Wells ISBN: 978-1-319-01076-8

Homework will be assigned and turned in through MacMillan's online resource - LaunchPad. You will need to purchase an access code to complete these assignments. LaunchPad does provide an online copy of the text; therefore, a separate paper copy is not required.

**Course Discription**

This course is designed to give the student a familiarity with the language common to economics, an elementary ability to analyze various microeconomic problems common in our economy and society, along with being able to think through everyday microeconomic problems. Models and theories studied will help the student to understand how producers could best allocate scarce resources to produce goods and services. Likewise, the student will gain insight into what drives consumers to give up resources to obtain goods and services produced by others. Upon completion of this course, the student should be able to apply economic modeling tools to both business situations and to problems and situations from everyday life. The student will find that the tools of economic reasoning are extremely useful in a multitude of everyday situations that require decisions on how to allocate time and resources.

**Grading Policy**

Your grades will be determined by the following:

	% of Total	Grade	Percentage
Homework	10%	A+	100-98
In Class Quizzes	10%	A	97-92
Exam 1	17.5%	A-	91-90
Exam 2	17.5%	B+	89-87
Exam 3	15%	B	86-81
Final Exam	30%	B-	80-78
		C+	77-75
		C	74-69
		C-	68-66
		D+	65-63
		D	62-60
		D-	59-55
		F	<55

**Homework**

You can expect one, short homework assignment per week. The course moves quickly, and completing homework is essential to keeping up with the material. Homework can be found online through LaunchPad. All assignments will be due at 11:59PM on Friday the week they are assigned.

No late homework will be accepted. Your lowest homework score will not be included in calculation of your final grade.

### **In Class Quizzes**

There will be several "pop-quizzes" throughout the semester given during the last fifteen minutes of lecture. These quizzes provide an additional incentive to attend lecture and keep up with course material. In addition, they allow me to periodically check students' understanding of the material, and adjust accordingly. No make up quizzes will be given. Your lowest quiz grade will not be included in the calculation of your final grade.

### **Exams**

There will be *three* midterm exams during the semester and a cumulative final exam at the end of the semester. All midterm exams will be held in GA 1112. The location of the final exam will be determined closer to the end of the semester. The *tentative exam dates are as follows*:

- Exam 1 - 9:05-9:55am Friday February 5<sup>th</sup>
- Exam 2 - 9:05-9:55am Friday March 4<sup>th</sup>
- Exam 3 - 9:05-9:55am Friday April 1<sup>st</sup>
- Final Exam - 5:00- 7:00pm Monday May 2<sup>nd</sup>

Please note the time of the final exam. If you are in Math-J112, J113, or BUS-G202 you need to either drop that class or this class. The final exam CANNOT be rescheduled.

### **Reading and Attendance**

Each topic covered will have an assigned reading out of the required text. Students are expected to have read the material prior to attending lectures. While lecture attendance does not directly affect the grade, recall that you must be present in lectures to take the in class quizzes. Furthermore, it will be very difficult to perform well on the exam without having attended lecture.

### **Peer Assisted Study Session (PASS)**

PASS is a proactive academic assistance program managed by the Student Academic Center. PASS will provide weekly review sessions for students to practice and master E201 content. Participation in PASS is voluntary but strongly encouraged. As an additional incentive, students who attend at least half of the PASS sessions (6 sessions) over the course of the semester will receive 5% replacement points on the final exam. More information on PASS meetings will be given during the first week of class.

### **Make-up Policy**

During the course many possible events may occur that would result in your inability to attend class and/or exams. Illness or injury, family emergencies, certain University-approved curricular and extra-curricular activities, and religious holidays can be legitimate reasons to miss class or to be excused from a scheduled examination.

In the case of your own illness or injury, a note from a physician, physician's assistant, or a nurse-practitioner that says, among other things, **...unable to attend...** is required. The note must be provided to the instructor within one week of the missed course event (*in cases of extended illness or incapacity, the note must be provided within a week of the end of your illness or incapacity, and it should specify the period of your inability to attend the course*).

With regard to family emergencies, you must provide verifiable documentation of the emergency. Unless the emergency is critical you should notify the instructor in advance of your absence from the scheduled course event. In cases of critical emergencies, you must notify the instructor within one week of your absence.

For University-approved curricular and extra-curricular activities, verifiable documentation is also required. The student should obtain from the unit or department sponsoring the activity a letter (or class absence form) indicating the anticipated absence(s). The letter must be presented to the instructor at least one week prior to the first absence.

In the case of religious holidays, the student should notify the instructor by the third week of the course of any potential conflicts. IU website:

[http://www.indiana.edu/vpfaa/docs/religious\\_observances/religious-observances-calendar-2013-2018.pdf](http://www.indiana.edu/vpfaa/docs/religious_observances/religious-observances-calendar-2013-2018.pdf)

#### *Policy on Missed Exams*

In the event of an approved absence, the exams weight will be distributed among the remaining exams. In the event a student misses the final exam for an approved reason, a make-up exam will be scheduled.

Unapproved absences will receive a zero.

#### *Policy on Missed Quizzes*

In the event of an approved absence, the student's missed quiz will be the average score of his or her other quizzes. Unexcused absences will receive a zero.

### **LAST DAY TO DROP**

The last day to withdraw from the class and receive an automatic W is **March 13<sup>th</sup>**. This is also the last day to get a withdrawal slip signed without a special petition. After this date, you can obtain a late withdrawal from a course only by first receiving special permission from the dean of the college. Such permission is VERY difficult to get. University rules specify that permission for late withdrawals is given only for urgent reasons relating to extended illness or equivalent distress to a student who is *passing the course on the date of withdrawal*.

To add or drop classes: <http://registrar.indiana.edu/dropadd.shtml>

### **OFFICE OF DISABILITY SERVICES FOR STUDENTS (DSS)**

If you desire classroom/testing accommodations for a disability, contact Jaeger outside of class. Present the written supporting memorandum of accommodation from the Office of Disability Services for Students ([www.indiana.edu/iubdss](http://www.indiana.edu/iubdss)). Requests for accommodations must be made no less than two weeks in advance of need. No accommodation should be assumed until authorized by your instructor.

### **ACADEMIC MISCONDUCT**

Dishonesty of any kind is not tolerated in this course. Dishonesty includes, but is not limited to, cheating, plagiarizing, fabricating information or citations, facilitating acts of academic dishonesty by others, having unauthorized possession of examinations, submitting work of another person or work previously used without informing the instructor, or tampering with academic work of other students. Students who are found dishonest will receive the most severe academic sanction consistent with IU policies. The University of Indiana has information at its website:

<http://www.iu.edu/code/code/responsibilities/personal/index.shtml>. Be sure to read the contents of this site.

### **Course Outline and Tentative Schedule:**

Introduction and Principle: Chapter 1, Appendix of Chapter 2

Comparative Advantage and Gains from Trade: Chapter 2, Chapter 8 (up to page 228)

Supply, Demand, and Equilibrium: Chapter 3

Consumer and Producer Surplus: Chapter 4

Exam 1

Government Policies: Chapter 5, Chapter 5

Elasticity: Chapter 6

Consumer Choice: Chapter 10

Firm Inputs and Costs: Chapter 11

Exam 2

Perfect Competition: Chapter 12

Monopoly: Chapter 13

Exam 3

Monopolistic Competition: Chapter 14 (up to page 426)

Externalities: Chapter 16

Public Goods: Chapter 17

**GenEd Learning Outcomes (from the Social and Historical Studies requirements):**

Students will demonstrate:

- Requirement (3): skills of inquiry and analysis;
- Requirement (4): quantitative and/or qualitative literacy through theory and methodology

Assessment Instrument is selected questions from the department wide common set of questions on the E201 and S201 final course examination.

**Course Learning Outcome**

The primary learning outcome of this course is for a student to develop and apply economic reasoning to both everyday choices and business decisions. In addition, the student should have the ability to use basic economic models for insight in various problems and situations in the microeconomic setting.

Course Learning Objects: Have an understanding and ability to apply, at an elementary level, each of the following concepts and models.

1. Introductory concepts
  - a) Overview of economic systems: resource allocation with scarcity
  - b) Illustration of basic concepts using the production possibilities frontier (PPF)
  - c) Comparative advantage and gains from trade
2. Price Determination in Competitive Markets
  - a) Demand curves and demand shifters
  - b) Supply curves and supply shifters
  - c) Determination of competitive market equilibrium price and trading volume
  - d) Comparative statistics exercises: changes in market equilibrium
  - e) Government intervention price controls and taxes
3. Elasticity
  - a) Price elasticity of demand: definition, formula, numerical calculation using the mid-point formula
  - b) Relationship between price elasticity, consumer expenditures (seller revenues)
  - c) Factors that influence the observed price elasticity of demand
  - d) Price elasticity of supply: definition, formula, numerical calculation
  - e) Factors that influence the observed price elasticity of supply
4. Economics of Consumer Choice
  - a) The consumers constrained optimization problem
  - b) Budget constraint
  - c) Total and marginal utility
  - d) Law of diminishing marginal utility
  - e) Utility maximization rule and consumer equilibrium
  - f) Consumer equilibrium responses to price changes
  - g) Individual consumer demand curve and market demand curve

5. Economics of Production
  - a) The production function
  - b) Fixed vs. variable inputs: short-run vs. long-run
  - c) Total Product and Marginal Product
6. The Firms Cost Curves
  - a) Fixed and Variable costs, explicit and implicit costs
  - b) Short-run total, average, and marginal cost curves
  - c) Economies and diseconomies of scale using the long-run average cost curve
7. Perfect Competition
  - a) Competitive firms demand and revenue curves
  - b) Short-run profit maximization and loss minimization
  - c) Short-run supply curve of the firm and industry
  - d) Long-run equilibrium and long-run adjustment dynamics
8. Imperfect Competition
  - a) Characteristics of Pure Monopoly and Monopolistic Competition
  - b) Demand and revenue curves under imperfect competition
  - c) Profit maximization/loss minimization for a firm with monopoly power
9. Introduction to Welfare Economics
  - a) Net social welfare (consumer surplus + producer surplus) maximization rule
  - b) The competitive ideal
  - c) Welfare effect of exercising monopoly power
  - d) External costs in a competitive market (negative externalities)
  - e) External benefits in a competitive market (positive externalities)
  - f) Public Goods
10. Note-taking skills in an economics class
  - a) Be able to take notes about a class lecture and capture the main points discussed and presented.
  - b) Be able to take notes from the textbook and be able to capture the main points discussed.
  - c) Be able to form questions on various economic concepts that aid in your understanding.