



ECO206: Microeconomics – Spring 2016

Section A: TTH – 10:00 am – 11:15 am in Campbell G15

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Course web site: Moodle

Office Hours: Tuesdays 11:30 am to 12:30 pm, Thursdays 1 – 1:45 pm, or by appointment

Course Description: This course covers intermediate microeconomics, which uses economic and mathematical tools to analyze the actions of individuals and households, firms and industries. The course is based on the market system: how markets work, when and why they fail, and what can be done to make them work better. The course also examines a number of public policies and current economic issues.

Learning Outcomes: Economics 206 extends the study of microeconomics begun in Introduction to Microeconomics (Economics 105) both in depth as well as in breadth of topics. At the end of this course, students should be able to apply the tools of modern microeconomic theory to matters of utility and demand; production functions and cost; pricing of output under perfect competition, monopoly, oligopoly, and monopolistic competition; efficiency & equity; asymmetric information; externalities, common resources and public goods.

Course Overview: We start by focusing on the demand for goods. In Economics 105, we began by simply drawing a downward-sloping demand curve on the chalkboard and providing a simplistic argument to justify its shape. In Economics 306, we develop a more in-depth explanation for the shape of a demand curve by studying how households make consumption decisions and aggregating those results to the market level. We then focus on the supply side of markets, engaging in a detailed investigation of how firms make production decisions. Next, we will combine demand and supply to understand how prices of goods are determined in perfectly and imperfectly competitive markets. The course will give you a closer look at economic notions of efficiency and well-being, game theory and strategic behavior, and market failures.

Prerequisites: Math 118, ECO 104 and ECO 105.

Textbook: The textbook for this course is *Microeconomics*, 6th edition, by Jeffrey M. Perloff (ISBN-13:978-0-13-139266-3). The book should be available for purchase in the bookstore. Students must buy the book and should buy this edition. Not having a copy of the book or having the wrong edition is not an excuse for not having done the problem sets or being prepared for class. Any additional readings will be handed out in class or

posted on Moodle in advance of the day they are covered. The class sessions will assume that you have read the related material in advance of class.

Problem sets, additional readings and updates will be posted on moodle. There is also a companion website for this textbook that features additional resources: http://wps.aw.com/bp_perloff_microecon_6/. This site (from the publisher) has extra resources to help you prepare for exams. There is also a study guide that you might want to purchase from an Internet bookseller if you want additional practice. Finally, the companion website for the fifth edition of the book features and self-quizzing: http://wps.aw.com/aw_perloff_microecon_5/.

Credit and workload: Eco 206 is a 4-credit course. In addition to in-class time, you will be spending a minimum of 3 hours per week in preparation for our class sessions, including viewing material posted on Moodle, completing reading assignments before coming to class. You should also plan to spend an additional 5-7 hours per week working on problem sets and studying for exams for this course.

Moodle: I will update this course's Moodle website regularly. Students are expected to check that site and their email for messages regarding the course. I warn you that, while your individual test and homework grades are correct on Moodle, the "Course Total" on Moodle is NOT your average in the class. That number is calculated by Moodle and does not reflect how I calculate your average grade. Please ignore that number.

Tutors: There are assigned tutors for this particular class. They will hold regular office hours in the Economics Learning Center on the ground floor of Campbell Hall. Their hours will be posted on the course website. The tutors will not do the problem sets for students but will answer specific questions. Students should have already attempted to do the problem sets before meeting with the tutors. The tutors are not responsible for any errors on a student's problem set answers that she turns in to be graded.

Homework/Problem sets: Students are encouraged to work on the problem sets with classmates. However, simply copying someone else's answers is in violation of the spirit of the college's honor code. Each student must turn in her own answer set and indicate on it which student(s) she worked with, if any. I suggest first trying the questions on your own and then working with a classmate or two.

- To get full credit for your homework, you must hand it in on time, that is, at the end of the class on the due date.
- Homework handed in after the end of class on the due date is considered late homework. The penalty for lateness is 1/3 of the assignment grade for every day late. For example, if your score is 90/100 but you are two-days late, then your homework score will be $90 - (2/3)*100$. After three days you will get no credit.
- Once you get your homework back, you have two weeks to request grade revision. Keep your homework on a safe place, since you may need it later in case of any grade clarification.
- Students requesting revision of a homework grade must submit their claim in writing, no later than two weeks after the grades have been distributed. Please include a brief argument/reasoning for grade change. For example, if you feel

that your answers are correct but you did not get the credit, list reasons or evidence to support your argument.

Optional problem sets: I will post an optional problem set for each problem set. You are not required to turn in your answers to the optional problem sets but you are strongly encouraged to complete these additional homework problems. These questions (though not graded) are designed to help you learn the materials covered in class and will help you prepare for exams.

Exams and exam policy: The exams will be based primarily on the lectures and on the problem sets, not on the textbook. Simply reading the textbook right before an exam in lieu of attending class and doing the problem sets is likely to have very negative consequences for your grade. That said, in my 10+ years of teaching economics I have seen few students who do not intensively study from the book do well.

The midterm and optional final exams will be administered in class. Check the exam dates in the Tentative Schedule at the end of this syllabus.

- Since you are already given an exam that you can drop for the final course grade, **no make-up exams will be made.**

- Only in very exceptional cases, students may be excused from missing an exam. Enough written evidence of the calamity must be provided. I will give make-up exams only when the conditions just specified are met. If a student does miss a test, the make-up test will be the 4th exam at the end of the semester. If a student misses more than one exam without an extraordinary reason, her final grade will be reduced proportionately.

- If you are unable to take the in-class tests when scheduled, with at least 48-hour notice, I may give the test early. But I will not give the optional final test early. Please do not make arrangements to leave for home before the semester officially ends.

- Students requesting revision of an exam grade must submit their claim in writing, no later than two weeks after the exam grades have been distributed. Please include a brief argument/reasoning for grade change. For example, if you feel that your answers are correct but you did not get the credit, list reasons or evidence to support your argument

Course Requirements & Grading Policies: Your performance in this course will be evaluated on the basis of exams, problem sets and attendance. Weights are determined as follows:

▪ 3 best exams	75% (25% each)
▪ 8 best problem sets	15%
▪ attendance	10%

In addition, there will be an optional final exam on the last day of class. The optional exam is comprehensive, that is, it includes materials from all three midterms. If a student chooses to take this exam, I will drop the lowest midterm exam grade. Due dates for the problem sets and exams dates are shown below in the Tentative Schedule of this syllabus.

Grading Scale:

93 – 100	A
90 – 92.99	A –
87 – 89.99	B +
83 – 86.99	B
80 – 82.99	B –
77 – 79.99	C +
73 – 76.99	C
70 – 72.99	C –
67 – 69.99	D +
63 – 66.99	D
60 – 62.99	D –
< 60	F

Calculator policy: Please bring a calculator to class most days and all exam days. You do not need a graphing calculator. Looking at any material stored in memory (such as equations or solved examples) during an exam is a violation of the honor code—you may use your calculator only for calculations on the exam. Students may not use a cell phone as a calculator or clock during exams. Please make sure cell phones are turned off before class and before exams.

Additional help with accommodations: If you require accommodation on exams, please have the Office of Academic Advising let me know as soon as possible. Students requiring extra time must schedule their exams with the Office of Academic Advising.

Attendance: Academic work is the heart of the college experience and academic success at Agnes Scott College is directly related to class attendance. Attendance is part of the students' overall responsibility and performance in a given course. If you do not attend at least **two-thirds of the classes**, you will fail the course.

Attendance will be checked randomly and frequently throughout the semester. You are allowed to drop **two** no-show records at the end of the semester, but you will lose the attendance and participation credit for this class by **10** per cent for each additional no-show record. Since you are given the chance to drop two no-show records, no additional excuses will be granted for missing classes. Only in very exceptional cases (such as severe illness or family emergencies), students may be allowed to drop additional no-show records. Enough written evidence of the calamity must be provided. And in these cases of serious illness or injury or emergency that will require a student to miss academic work, she should notify the office of the dean of students (x6391) as soon as possible to inform the college of her situation. Late attendance will count only if you arrive within **5** minutes of the class start time. If you arrive later, it will count as **one-third** of an absence.

A student on academic probation is permitted only one absence in each academic course that is not due to serious illness, death of an immediate family member, and religious observance.

Students should leave class only during an extreme emergency; the instructor may stop class until the student returns.

Academic honesty The Agnes Scott College honor code embodies an ideal of character, conduct, and citizenship, and is an important part of the College's mission and core identity. This applies especially to academic honesty and integrity. Passing off someone else's work as your own represents intellectual fraud and theft, and violates the core values of our academic community. To be honorable, you should understand not only what counts as academic dishonesty, but also how to avoid engaging in these practices. You should:

- review each course syllabus for the professor's expectations regarding course work and class attendance.
- attribute all ideas taken from other sources; this shows respect for other scholars. Plagiarism can include portraying another's work or ideas as your own, buying a paper online and turning it in as if it were your own work, or not citing or improperly citing references on a reference page or within the text of a paper.
- not falsify or create data and resources or alter a graded work without the prior consent of your professor. This includes making up a reference for a works cited page or making up statistics or facts for academic work.
- not allow another party to do your work/exam, or submit the same or similar work in more than one course without permission from the course instructors. Cheating also includes taking an exam for another person, looking on another person's exam for answers, using exams from previous classes without permission, or bringing and using unauthorized notes or resources (i.e., electronic, written, or otherwise) during an exam.
- not facilitate cheating, which can happen when you help another student complete a take home exam, give answers to an exam, talk about an exam with a student who has not taken it, or collaborate with others on work that is supposed to be completed independently.
- be truthful about the submission of work, which includes the time of submission and the place of submission (e.g., e-mail, online, in a mailbox, to an office, etc.)

You should understand that penalties result from dishonest conduct, ranging from failure of the assignment to expulsion from the college. You should speak with your professors if you need clarification about any of these policies.

Policy on technology in the classroom

Please do not use laptop computers or iPads in the classroom without my specific permission. If you want to make an audio recording of the class, you must get my permission before recording. I will not approve any video recording of class.

Tips and Suggestions:

- ★ Courtesy toward your instructor and your fellow students is expected. This includes not disrupting class by being late, having your cell phone go off or talking to other classmates during lecture. Please do not text message, or eat during class. Having a beverage is fine.
- ★ I advise against using laptops during lecture. You cannot take good lecture notes for microeconomics by typing them. Instead, I suggest that you bring a few colored pencils (for graphs with many different lines) and even a protractor to aid your note taking. One of the most frequent problems of students who are struggling in this course is sloppy lecture notes.
 - ☞ I post handouts on Moodle for material that is more challenging. However, you should not rely on my handouts as a substitute for taking your own notes.
- ★ This is a course that continues to build on itself. Each chapter is important as a foundation for chapters that follow. Stay current with the assigned material and seek help when you need it. If you have a question, ask it as soon as possible. Ask questions in class, in my office, to the tutor, or in the Economics Learning Center.
- ★ Read the relevant sections of the textbook prior to class, as well as after class. I will not be able to cover all the examples developed in each chapter; it is up to you to be prepared on all the assigned chapter material. I will assume that students know the basic principles of economics taught in the introductory course (Economics 105). Make sure that you review the relevant concepts as we move through the course. If you need, refer back to the material from your introductory courses prior to coming to lecture.
 - ☞ If you have had a course in calculus, I highly recommend reading all of the chapter appendices at the end of the book, not just the required ones.
- ★ This is a course of analysis and explanations rather than memorization. In particular, memorization is an extremely ineffective tool for studying economics, and students who memorize material are very prone to confusion and “drawing a blank” on exams. A much better approach is to press for understanding. And understanding usually comes only through active engagement with the material, both in class and out. The problems in the text, as well as the additional problems available online and in the Study Guide are designed to help you achieve a solid *understanding* of the material.
 - ☞ There are many Microeconomics textbooks that you can use to supplement Perloff. You are welcome to consult books and study guides available at the Economics Learning Center. Those books are property of the Economics Department and should not be taken outside the building.
- ★ Please write clearly (or preferably type) your answers and staple the pages of your problem set together. Make sure your graphs are clearly labeled.

- ★ The final exam will emphasize the material in the last section of the course; but as I mentioned above, solving problems later in the course requires mastering material covered earlier in the course. If there is material that many students failed to demonstrate mastery of on a midterm exam, that material is also likely to receive emphasis on the final exam.

Tentative Schedule (any revisions will be posted on Moodle)

Week #			<u>Topic</u>	Readings:	Problem Sets:	
					<u>Posted</u>	<u>Due</u>
1	Tue	Jan 12	Course Introduction Supply and Demand (Calculus diagnostics test and course survey)	1 2	PS1	
	Thu	Jan 14	Supply and Demand	2		
2	Tue	Jan 19	Applying Supply-Demand Model (Elasticities and Taxes)	3	PS2	PS1
	Thu	Jan 21	Applying Supply-Demand Model (Elasticities and Taxes) Consumer Choice	3 4		
3	Tue	Jan 26	Consumer Choice	4	PS3	PS2
	Thu	Jan 28	Consumer Choice	4		
4	Tue	Feb 2	Applying Consumer Theory	5	PS4	PS3
	Thu	Feb 4	Applying Consumer Theory	5		
5	Tue	Feb 9	Applying Consumer Theory Review for Midterm 1	5		PS4
	Thu	Feb 11	Midterm 1 (Chapters 1 to 5)			
6	Tue	Feb 16	Firms and Production	6	PS5	
	Thu	Feb 18	Costs	7	PS6	PS5
7	Tue	Feb 23	Costs	7		
	Tue	Feb 25	Competitive Firms and Markets	8	PS7	PS6
8	Tue	Mar 1	Applying the Competitive Model	9		
	Thu	Mar 3	General Equilibrium and Economic Welfare Monopoly Review for exam 2	10/11		PS7
9	Tue	Mar 8	Spring Break			

	Thu	Mar 10	Spring Break			
10	Tue	Mar 15	Peak Week			
	Thu	Mar 17	Peak Week			
11	Tue	Mar 22	Midterm 2 (Chapters 6 to 9)			
	Thu	Mar 24	Monopoly	11	PS8	
12	Tue	Mar 29	Pricing Discrimination	12		
	Thu	Mar 31	Pricing Discrimination	12		
13	Tue	Apr 5	Oligopoly and Monopolistic Competition	13	PS9	PS8
	Thu	Apr 7	Oligopoly and Monopolistic Competition	13		
14	Tue	Apr 12	Oligopoly and Monopolistic Competition Game Theory	13/14		
	Thu	Apr 14	Game Theory	14	PS10	PS9
15	Tue	Apr 19	Game Theory	14		PS10
	Thu	Apr 21	Game Theory/Review for Midterm 3 and Optional Final			
16	Tue	Apr 26	SpARC (No classes)			
	Thu	Apr 28	Midterm 3 (Chapters 10 to 14)			
17	Tue	May 3	Optional Final			