

Syllabus: Microeconomic Principles (Econ 001)

Note: For office hours, contact information, homework assignments, links to readings and much more, go to the course Canvas site.

Econ001: General Information

At the end of this document you will find a class-by-class outline of the material we expect to cover. There is also a table that contains the dates for quizzes, midterms and final in this course.

First, though, is some general information that will help you find your way in this course and answer some logistical and pedagogical questions.

Please retain a copy of this syllabus for your records. Many graduate programs require such a copy to receive waiver or credits for courses taken as an undergraduate level.

I. Canvas

During this course we will make extensive use of the web-based program Canvas to distribute homework, refer you to additional readings, give you feedback on your exam results and more. Please make sure you are able to log on to this course site by trying out the following page:

<https://upenn.instructure.com/courses/1268614>

You should have **one** site for this course, a lecture-wide site. Recitation level groups are formed within this site to allow your TA to communicate with the recitation group separately. Stay tuned on when and how to join this group- see updates next week.

You MUST be registered for both the lecture and the recitation section or you will be automatically dropped from the course.

II. Course Structure: Not your usual lecture course!

This is a “flipped” course. Content that would normally be delivered in class through lectures will be provided through self-paced modules on Canvas. These are based on short video segments (typically 5-10 minutes each), originally developed for the Coursera Massive Open Online version of this course. These were then adapted to Canvas and now include imbedded quizzes that will help you hone in to the core concepts and test your understanding of the material in the videos.

One major benefit of this approach is that it frees up class time from basic content delivery. You can get the lectures in my MOOC, but only here can we do interactive exercises, applications, discussions, and even a few games. These will greatly deepen your understanding of the topic and help you prepare for the exams. The best way to learn economics is to practice applications and it is easier to do that in the supportive environment of the classroom with mentors and me on hand to answer questions and offer guidance.

Each week we meet on Mondays and Wednesdays. You also have a recitation session on either Thursday or Friday. You should attend both lectures and recitations, as there will be different material covered in each. Exam questions will assume you attended all lectures & recitations.

Attendance is **required** in this course. Each class, group work is tracked and credit given ONLY if you attend, work productively and collaboratively and check in with your mentor as indicated in the worksheets. Ten percent of your grade depends on this participation. You may miss at most 3 classes without penalty. These include any absences for any reason (including family emergencies, health issues, athletic conflicts and any other reason). Save these freebees for a true emergency or you will end up short.

Course absences should be reported through the Course Absence Report system. There are no “excused absences” – if you miss class, you are responsible for making up any work and for knowing the material covered. The purpose of the Course Absence Report system is to facilitate communication between instructors and students when a student misses class. The system allows students to inform instructors about absences of five days or less. If the absence is more than five days, you should contact your home school advising office for assistance and to discuss the academic implications of a longer absence. You can submit a Course Absence Report by logging on to Penn InTouch and choosing the “Course Absence Report” option from the menu on the left.

III. Textbook

The textbook used is: Parkin. Microeconomics (11th Edition) from Addison Wesley. The textbook was only slightly updated from the 10th edition. You are welcome to use the old edition, but please note that most used textbooks do not come with MyEconLab access. You will need to pay for that separately, online, if you choose to use that component (see below).

IV. Canvas Modules/Preparation for Lecture

Most lectures require an hour of work in preparation. You will walk through a Canvas module that includes both short videos and multiple-choice quizzes. You MUST complete these quizzes before attending class. Incomplete quizzes will count as an absence

V. Homework Assignments/Preparation for Recitation

After class time you are expected to complete the weekly homework assignments that will be posted on the lecture-wide Canvas site. Each assignment includes:

- a. *A set of 10 multiple-choice questions.* This is a self-assessment tool that allows you to check if you understand the basic concepts. You may take these multiple times.
- b. *A short answer section.* This you should complete by your next recitation and uploaded on canvas. Your recitation instructor will view your assignments on line and grade them for completion and give you feedback on your performance.

Homework assignments get you ready for recitation and allow us to find out how students are doing. Please be diligent in completing them in a timely manner. If you get stuck on any part of the assignment you are welcome to stop by office hours in advance of your recitation *or* to ask your TA to go over a particular part or question in recitation. You are also welcome to post questions on Piazza (see below). We do not expect 100% success on these home works, but rather 100% effort.

VII. How to study for Econ-001

From years of teaching this course, I have learnt that it is **not** enough to watch lectures and read the textbook to do well in this course. Many students find the link between math, graphs and verbal concepts difficult; the best way to overcome this is by **practicing**. Students need to put in a significant amount of time on applying the material to concrete examples. It is to help with this specific step that I am implementing this **SAIL class** that makes extensive use of STRUCTURED, ACTIVE, IN-CLASS LEARNING. The required readings and audiovisual assignments, done outside of class, provide an introduction to basic facts and concepts. Time in class is devoted to instructor-led problem solving, discussions and structured activities, supplemented by occasional mini-lectures. This in-class work will allow you to learn by doing, apply theoretical principles to real-world situations, and receive real-time feedback.

This course will require DAILY study time as you need to prepare for class, solve HWs assignments and practice continuously. My goal is to give you the tools to study effectively and efficiently do maximize your potential.

If you have problems with time management, get into a routine. You should spend an hour a day studying economics (over and above class time and recitation). The following weekly plan can give you some guidance:

Sunday: Prepare the module for Monday's class

Monday: Go over class notes. Re-read relevant sections of text.

Tuesday: Prepare module for Wednesday's class.

Wednesday: Go over class notes. Do homework assignment.

Thursday/Friday: Finish HW assignment or go over recitation notes (depending on when your recitation is). Stop by Office Hours with any questions.

Saturday: spend an hour (or two, if exams are coming up) solving questions from past exams. If you didn't get a question right, go back and make sure you understand the topics before attempting another question.

VIII. Whom to Contact?

- Logistical issues regarding **joining a section** or **changing sections**: Lynn Costello, the undergraduate coordinator in the economics department. She can be found in McNeil room 160 or via email at costello@econ.sas.upenn.edu. Lynn is also knowledgeable about major requirements and stuff like that.
- Note that due to the SAIL structure of the class once a section is full it is FULL and no more students will be allowed to join.
- If you need to miss a class please submit a Course Absence Report by logging on to Penn InTouch and choosing the "Course Absence Report" option from the menu on the left.
- Logistical issues regarding the **Canvas** go to: canvas@pobox.upenn.edu
- If you need to take a **make-up midterm** due to illness or family emergency: please BOTH complete a notice in CAR AND contact your T.A. They will then place you on the official make-up list.

- If you need to take a **make-up midterm** due to academic conflict (e.g., you have a class during midterm times) or athletic team related travel (but not practice): please contact your T.A. They will then place you on the official make-up list.
- Concerns about homework, economics in general or the material covered in class etc: contact either your T.A. or me.

In general – I try to be as available as possible. Stop by my office hours or make another appointment to see me. I am also available in the classroom before and after lectures. I am here Mondays, Wednesdays, Thursdays and most Fridays. Note that I do not check my e-mail on weekends.

- My office is: McNeil 541 but for regular office hours see next line.
- My office hours are on Thursdays from 1:30 to 3:30pm in my office, 541 McNeil bldg. I will add office hours prior to exams.
- E-mail: rstein2@econ.upenn.edu

IX. Piazza

This term we will be using Piazza for class discussion. The system is highly catered to getting you help fast and efficiently from classmates, the TA, and me. Rather than emailing questions to the teaching staff, I encourage you to post your questions on Piazza. If you have any problems or feedback for the developers, email team@piazza.com.

Find our class page at:

<https://upenn.instructure.com/courses/1268614/modules/items/11866101>

Please do **not** email me using the Canvas site. Either post general questions on Piazza or email with personal issue to rstein2@econ.upenn.edu.

X. Free Lunch

As economists, we like to say that there is no free lunch. But I am happy to contradict that by taking you out to the Penn Club for change of scene from the 1920s commons. Please contact me to set up a date. Then you can officially sign up here: <https://secure.www.upenn.edu/nso/take-your-professor-to-lunch.html>

XI. Grading

Grading is not on a curve.

Note that 15% of your grade is related to the preparation for and participation in class activities.

Your grade is calculated from the raw grades received in these activities, midterms & final as follows:

Pre-class modules	5 %
In class participation:	10 %
Homework	4 %
Completion of pre test	2%
Completion of post test	2%
Completion of surveys	2%
Midterm I	20 %
Midterm II	20 %
Final	35 %

Alternate grading:

I understand that sometimes a midterm does not go as well as you would hope. That is why we will also calculate your grade using the following weights. *Your best weighted average of all three calculations will be used to generate your letter grade.*

Pre-class modules	5 %
In class participation:	10 %
Homework	4 %
Completion of pre test	2%
Completion of post test	2%
Performance on post test	2%
Completion of surveys	2%
Midterm I	15 %
Midterm II	20 %
Final	40 %

Pre-class modules	5 %
In class participation:	10 %
Homework	4 %
Completion of pre test	2%
Completion of post test	2%
Performance on post test	2%
Completion of surveys	2%
Midterm I	20 %
Midterm II	15 %
Final	40 %

XII. Enjoy

I took my first economics course under duress, but found it fascinating and satisfying. I still think it is a brilliant way to look at the world.

XIII. Topics Covered

I. Introduction

A. Opportunity Cost

Main Terms & Concepts: Dollar vs. Economic Costs

B. Using Graphs in Economics (review on your own)

Main Terms & Concepts: Reading a graph
Movement *of* a curve vs. *along* a curve
Slope of straight and curved lines
Maximum and minimum points

II. Origins of Trade

A. Scarcity and Choice

Main Terms & Concepts: Production Possibilities Frontier (P.P.F.)
Opportunity Cost
Efficiency
Growth
Marginal Benefit and Marginal Cost

B. Comparative Advantage & The Gains from Trade

Main Terms & Concepts: Absolute & Comparative Advantage
Specialization
Trade
Consumption Possibilities Frontier (C.P.F.)

III. Markets for Trading

A. Supply & Demand

Main Terms & Concepts: Demand Curve & Quantity Demanded
Supply Curve & Quantity Supplied
Movement Along vs. Shifts of a Curve
Market Equilibrium
Equilibrium Price & Quantity
Law of Supply & Demand

B. Elasticity

Main Terms & Concepts: Price Elasticity of Demand (elastic, inelastic)
Income Elasticity (normal, inferior)
Cross-Price Elasticity (complements, substitutes)
Price Elasticity of Supply

C. Efficiency and Equity

Main Terms & Concepts: Efficiency
Consumer Surplus
Producer Surplus
Deadweight Loss
Equity

D. Applications of Supply & Demand

Main Terms & Concepts: Price Controls (Price Floors & Ceilings)
Taxes
Subsidies
Trade in the global market*

* time permitting.

MIDTERM I: Monday, February 16, 6pm

Make up: Tuesday, Feb 24

IV. The Building Blocks of the Demand Curve

A. Consumer Choice

Main Terms & Concepts: Utility
Indifference Curves
Marginal Rate of Substitution
The Budget Line
Substitution & Income effects
Application: The Supply of Labor

V. The Building Blocks of the Supply Curve

A. Production

Main Terms & Concepts: Inputs
Total (Physical) Product
Short Run & Long Run
Average Product
Marginal Product
“Law” of Diminishing Returns
Economies of Scale

B. Costs

Main Terms & Concepts: Total, Average & Marginal Cost Curves
Fixed & Variable Costs
Short Run and Long Run Costs

VI. Perfect Competition and Monopoly

A. The Supply Function in the Perfectly Competitive Market

Main Terms & Concepts: The Firm's Goal: Profit Maximization
Perfect Competition Defined
The Firm as a Price Taker
Firm's Supply in SR & LR
Entry & Exit
Industries Supply in SR & LR

B. The Supply Decision for the Monopoly

Main Terms & Concepts: Monopoly Defined
Monopoly as Price Setter
Marginal Revenue
Supply in SR & LR
Price Discrimination
Regulation of Monopoly

C. Semi-Competitive Markets

Main Terms & Concepts: Monopolistic Competition
Oligopoly*
Nash Equilibrium in a 2*2 game*

* time permitting.

MIDTERM II: Tuesday, March 31st, 6pm
Make up: Wednesday, April 8

VIII. The Distribution of Income

A. Inputs & their Prices

Main Terms & Concepts: Marginal (Physical) Product

Marginal Revenue Product
Derived Demand for Inputs (Labor, Capital)

B. The Market for Labor and Capital

Main Terms & Concepts: Labor Supply Curve
Income and Substitution Effects in the
supply of labor
Discount Present Value

C. Poverty & discrimination *

Main Terms & Concepts: Poverty
Inequality
The Lorenz Curve
Redistribution of Wealth
The Tradeoff between Equity & Efficiency

* time permitting. May be postponed to last week of class.

IX. Externalities and Public Goods

a. Externalities

Main Terms & Concepts: Positive & Negative Externalities
Internalizing an externality
Markets for externalities

b. Public Goods

Main Terms & Concepts: Private Goods (Depletable & Excludable)
Public Goods & Free Riding
Market Failure

Final:
May 11, 3-5pm
Make your travel plans accordingly!

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Date	Topic	Chapter	Comments
1/14	Introduction & the concept of Opportunity Cost	Chapter 1	
1/19	<i>MLK Day- no class</i>		
1/21	Scarcity & Choice	Chapter 2	
1/26	Comparative Advantage	Chapter 2	
1/28	Supply & Demand	Chapter 3	
2/2	Elasticity	Chapter 4	
2/4	Efficiency and Equity	Chapter 5	
2/9	Application of S & D: Taxes	Chapter 6	
2/11	Application of S & D: Price Controls	Chapter 6	
2/16	Review	Chapter 1-6	Ask Questions!
2/16 6 p.m.	MIDTERM I	Monday	In the evening
2/18	Consumer Theory	Chapter 9	
2/23	Consumer Theory: Cont	Chapter 9	
2/25	The Firm & Costs of Production	Chapter 10 & 11	
3/2	Perfect Competition: Short run	Chapter 12	
3/4	Perfect Competition: Long run.	Chapter 12	
<i>3/9-3/13</i>	<i>Spring Break</i>		
3/16	Monopoly	Chapter 13	
3/18	Natural Monopoly	Chapter 13	
3/23	Monopolistic Competition	Chapter 14	
3/25	Game Theory		
3/30	Review	Chapter 9-14	Ask Questions!
3/31 6 p.m.	MIDTERM II	Tuesday	In the evening
<i>4/1</i>	<i>No Class</i>		
4/6	Input Markets: labor	Chapter 18	
4/8	Input Markets: labor	Chapter 18	
4/13	NPV	Chapter 18	
4/15	Monopsony	Chapter 18	
4/20	Externalities	Chapter 16	

4/22	Public Goods	Chapter 17	
4/27	Poverty	Chapter 19	
4/29	Conclusion		
5/11 3-5pm	FINAL EXAM		Plan your flights home accordingly!