E201 Introduction to Microeconomics  
(12:00-1:15PM on Mon and Wed, NU 110)  

Fall, 2012

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Office hours: 3-5 pm on Wed

COURSE OVERVIEW:
Microeconomics studies the decision making of individuals and firms. The course explains how the market system can enhance people’s well-being through individual planning and voluntary cooperation in contrast to central planning. On the other hand, the course also criticizes free market fundamentalism by studying how and when market fails to achieve efficiency. This course is best suited to a lecture format, although students are encouraged to ask questions and participate. Occasionally, several economic experiments will be run in-class.

By the end of the semester, you should:

• develop a deep understanding of a number of core concepts of microeconomics that are essential to good managerial decision making and informed analysis of any economic issue

• develop an ability to use key economic ideas in evaluating public policies. You should leave this course with a basic understanding of what types of government intervention benefit society.

• develop an ability to critically analyze economic arguments put forth in public policy debates. For instance, you should be able to read and evaluate general material in the New York Times, the Wall Street Journal, or the Economist.

The IUPUI All-Campus Bulletin lists “sophomore standing” as a prerequisite for all sections of E201. Freshmen can take this course, but this is meant to advise you that E201 is a more analytically rigorous course than most survey courses you might expect to take in your first year of college study.

TEXTBOOK
GRADING POLICY

(1) This course is demanding and requires a great deal of work! There will be assignments and quizzes after each chapter, a midterm, and a (common) final exam. You will only be tested on the material covered in class. (If I didn’t talk about it, I won’t ask questions about it.) All tests will be multiple-choice. The weights for the final grade will be

Assignments: 20%
Best 12 Quizzes: 35%
Midterm: 20%
Final Exam: 25%

(2) The following grading scale will be applied for the determination of the final grades.

A+ $\geq$ 94
A $\geq$ 90
A- $\geq$ 86
B+ $\geq$ 82
B $\geq$ 78
B- $\geq$ 74
C+ $\geq$ 70
C $\geq$ 66
C- $\geq$ 62
D $\geq$ 55
F < 55

(3) There will be no make-up exam. Exceptions may be granted only when things are clearly beyond your control, i.e., injuries or illnesses. However, there will be no make-up for missed quizzes even if you have a legitimate excuse for being absent, because the quizzes are meant
to give you the incentive to be present in class.

**CLASS ATTENDANCE**
(1) The attendance is important and required. You are allowed to have 7 absences without any penalty. After 7 absences, each additional absence will lower your final score by 0.5 point. On the other hand, the persons who have full attendance will earn extra 2 points in the final grading scale.

(2) Using laptops in class is not permitted. Cell phones are not permitted during quizzes or the final exam. This includes cell phones with a built-in calculator.

**COMMON FINAL EXAM**
E201 has a Common Final Exam. You will take the Final Exam at the same day with all the other E201 students. This final is cumulative. The Common Final Exam will be held on Wednesday Dec 12 from 10:30 AM to 11:30 AM in the Lecture Halls. (room to be announced)

**COURSE WEBSITE** (https://oncourse.iu.edu)
All the course announcements and related materials will be posted on the course website. It is your responsibility to check it periodically to get updated information about the course.

**FREE TUTORING**
The Department of Economics provides free tutoring to students in this course. The schedule will be posted online soon. I encourage you to take advantage of the tutoring program whenever you are unclear about the class materials.

**ADMINISTRATIVE WITHDRAWAL**
Administrative Withdrawal: A basic requirement of this course is that you will participate in class and conscientiously complete writing and reading assignments. Keep in touch with me if you are unable to attend class or complete an assignment on time. If you miss more than half our class meetings within the first four weeks of the semester without contacting me, you will be administratively withdrawn from this section. Our class meets twice per week; thus if you miss more than four classes in the first four weeks, you may be withdrawn. Administrative withdrawal may have academic, financial, and financial aid implications. Administrative withdrawal will take place after the full refund period, and if you are administratively withdrawn from the course you will not be eligible for a tuition refund. If you have questions about the administrative withdrawal policy at any point during the semester, please contact me.
ADAPTIVE EDUCATIONAL SERVICES
Students needing accommodations because of a disability will need to register with Adaptive Educational Services (AES) and complete the appropriate forms issued by AES before accommodations will be given. The AES office is located in Taylor Hall, UC 100. You can also reach the office by calling 274-3241. Visit http://aes.iupui.edu/ for more information.

PRINCIPLES OF UNDERGRADUATE LEARNING
This course satisfies the following principles of undergraduate learning:

• Core Communication and Quantitative Skills: At the end of this course students will be able to comprehend, interpret, analyze, and articulate microeconomic problems, ideas, and solutions.

• Critical Thinking: Students will be able to analyze microeconomics problems and use the tools developed in this class to make informed decisions. In addition, students will use their enhanced quantitative reasoning skills to explore new questions and solve challenging problems in economics.

• Intellectual Depth, Breadth, and Adaptiveness: This course will broaden students understanding of past and current microeconomic policy problems. Also, students will be able to apply the concepts and tools of microeconomics to economic issues of national and international importance.

ACADEMIC INTEGRITY
Indiana University-Purdue University Indianapolis has a Code of Student Conduct, administered by the Office of the Dean of Students. This Code sets standards for academic integrity at IUPUI for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism.
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<th>Date</th>
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Steven Levitt and Stephen Dubner, “Freakonomics” and “SuperFreakonomics”  
Tim Harford, “The Undercover Economist”  
Robert Frank, “The Economic Naturalist” |
| Aug 27 / 29 | Sep 3 (Labor day)  
2. Economics Model: Trade-offs and Trade  
Dan Ariely, “Predictably Irrational” |
| Sep 5     | 3. Supply and Demand  
Sep 10 / 12 | 4. Consumer and Producer Surplus  
Oct 1 / 3   | 5. Price Controls and Quotas  
Oct 8      | 6. Elasticity  
7. Taxes  
8. International Trade  
Joseph Stiglitz, “Globalization and its Discontents”  
| Sep 17 / 19 | 16. Externalities  
Sep 24 / 26 | 17. Public Goods and Common Resources |
| Oct 15    | Midterm  
(No class) | 11. Inputs and Costs  
Oct 17      | 12. Perfect Competition  
Oct 22 / 24 | 13. Monopoly  
Oct 29 / 31 | 14. Oligopoly: Introduction to Game Theory  
Nov 5 / 7   | 19. Factor Markets and the Distribution of Income  
Nov 12 / 14 | Paul Krugman, “The Conscience of a Liberal”  
Nov 19      | Muhammad Yunus, “Banker to the Poor”  
Nov 21      | Jeffrey Sachs “The End of Poverty” |
| Nov 21 (Thanksgiving day) | 20. Uncertainty, Risk, and Private Information  
Josef Stiglitz “Free Fall” |
| Nov 26 / 28 | Review for the final  
Dec 3 / 5   | Final |

No classes: Sep 3 (Labor Day), Oct 15 (Fall Break), and Nov 21 (Thanksgiving day)