Economics 201 – Introduction to Microeconomics

Rich Steinberg
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278-7221
Class meeting MW noon-1:15 IP137

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Spring 2013
Office Hours: W: 1:30-2:30 or by appointment or stop by and take your chances

Prerequisites: The IUPUI All-Campus Bulletin lists “sophomore standing” as a prerequisite for all sections of E201. 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. It makes extensive use of deductive reasoning (cause and effect) and graphs as an aid to understanding. There is an on-line mathematical review if you need to refresh your memory on this.

Textbook: The required textbook for this course is: Microeconomics, 3rd Edition by Paul Krugman and Robin Wells. As far as I can tell, the second edition is equally good – only one chapter is substantially changed. We are also using Sapling Learning, an on-line service, and you will need to get access to this in order to do your homework. READ THIS BEFORE BUYING!

You have three options:

i) Purchase a paperback copy of the text packaged together with the Sapling Learning access card. Price is $174.95 if purchased from this site: www.worthpublishers.com/Catalog/product/microeconomics-thirdedition-krugman. This does not look like a very good deal unless you greatly prefer paperback over loose leaf.

ii) Purchase a Loose Leaf version of the text, along with Sapling Access Card and, as a freebie in this package, Cartoon Introduction to Economics, Volume One: Microeconomics. Price $110.95 at same site.

iii) Purchase a Worth e-book version, packaged with a 6 month access card for Sapling. Price $67.95 at same site. Accessible on computer only.


v) Purchase an ebook version that is downloadable and accessible on computer, iPad, iPhone, iPod Touch, Android devices, Kindle Fire, Nook Color, or Nook Tablet. go to http://www.coursesmart.com.

Grading:

Online Homework: Homework must be completed on-line, so be sure you have access to a connection and if you are so foolish as to wait for the last minute, be sure you have a backup access for when your internet connection or computer goes kablooie. This is especially important because no homework will be accepted late without special permission. Graded homework scores will count for 25% of your final grade. In any case, the homework helps you prepare for the exams.

Exams: There are four exams – three “midterm” exams covering the three parts of the course separately (each worth 20% of your grade) and one cumulative exam – the common final (counting 15% of your grade). Note that the common final is at a special time and place – Saturday May 4 from 3:30 p.m. to 5:30 p.m. in Lecture Hall (room to be announced)

I am willing to entertain rescheduling the first three exams if the dates present special
difficulties for you. However, I need to be consulted before the exam begins, not after it is over. The common final is much much harder to reschedule, and you also need to talk to me to do so.

Cell phones are not permitted during exams; they must remain turned off and out of sight. If you await an emergency call, leave your phone with me and I will answer and alert you if it is necessary.

Letter grades will be assigned based on your weighted average numeric grade according to the following scale (I reserve the right to make minor adjustments to this scale):

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<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A+</td>
<td>90-100%</td>
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<td>A</td>
<td>84-89.9%</td>
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<td>80-83.9%</td>
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<td>B+</td>
<td>77-79.9%</td>
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<td>B</td>
<td>74-76.9%</td>
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<td>B-</td>
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<td>C+</td>
<td>65-70.9%</td>
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<td>C</td>
<td>58-64.9%</td>
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<td>C-</td>
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<td>D+</td>
<td>45-49.9%</td>
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<td>D</td>
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<td>F</td>
<td>0-39.9%</td>
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Don’t Cheat: Cheating is any form of dishonest conduct with regards to exams. Students should avoid the appearance of cheating and not make it possible for others to cheat. Any student caught cheating will receive an F. The procedure for determining the guilt or innocence of the student, should a faculty member discover or allege cheating, is detailed in the IU Code of Student Rights, Responsibilities, and Conduct

Principles of Undergraduate Learning: This course addresses the core communication and quantitative skills principle, with special emphasis on the performance of quantitative analysis and use of information resources and technology. It also contributes to the critical thinking principle, especially in developing the ability to synthesize information to arrive at reasoned conclusions, to evaluate the logic, validity, and relevance of data, and to solve challenging problems.

Course Outline: All dates are subject to revision.
I) Introduction. Ch. 1, 2 January 7, 9, 14.
II) Supply and Demand. Ch. 3. January 17, 23. (no class Jan. 21)
V) In-Class Market Experiment. Feb 6.
VI) Catch up and Review. February 11.
IX) Sensitivity Training (Elasticity). Ch. 6, February 18, 20.
X) Taxes. Ch. 7. February 25, 27
XIII) Catch up and Review. March 20.
XV) Production and Costs. Ch. 11. March 25
XVI) Profits for Perfect Competitors. Ch. 12. March 27, April 1.
XVII) Monopoly. Ch. 13, April 3.
XVIII) What’s it to me? (Externalities) Ch. 16. April 8, 10.
XIX) (Time permitting) Public Goods and Common Resources. Ch. 17, April 15.
XX) Working for a Living (Factor Markets and the Distribution of Income). Ch. 19. April 17, 22
XXII) Review. April 29
XXIII) Common Final Exam and Third Exam. Saturday, May 4 from 3:30 to 5:30 in Lecture Hall (room to be announced)