Economics 201 – Introduction to Microeconomics

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278-7221
Classes meeting MW 10:30-11:45 BS 4087

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, 2nd Edition by Paul Krugman and Robin Wells. BUT DON'T BUY IT YET! You have three options:

i) Just register and pay on-line for the Aplia integrated textbook package, which costs $80. For this fee, you can view a complete copy of the textbook on-line and also get access to all the homework problems, which are completed on-line, and other course materials. The two disadvantages of this option are that you might not like reading the text on-line, preferring a hard copy and your access to the on-line text ends shortly after the semester ends. However, you can always download and print the text during the semester, and this is cheaper than option b.

ii) From Aplia: Purchase access to your course for US$80.00 on the Aplia website (also includes digital textbook), and then purchase a physical book at a discounted price from Aplia's website.

iii) From Bookstore: Purchase a physical book bundled with an Aplia Access Card.

You can try Aplia for free until 11:59 PM on 09/12/2010. Then either pay on-line or switch to option ii or iii.

Grading: Online Homework: Homework is due as announced on Aplia (Generally every Monday night at 11:45 pm). 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 kabloomie. 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.

When you do each page of your homework, you will have two options: you can save your work and continue on to the next page of questions or you can request immediate feedback by clicking “Grade It Now.” This will display which questions on the page were answered correctly and incorrectly, with detailed explanations for each question. If you are happy with your scores, you can continue on to the next page of questions in the problem set. If you think you can improve your score after reading the feedback, you can make another attempt by clicking the “Try Another Version” button. This allows you to attempt a new page of questions covering the same concept, but using different examples and/or numbers. You can attempt a given page of questions up to three times. The final score reported in the gradebook will be the average of the
points received on each attempt. So give each question your best shot the first time you try it to get a better score. Blindly guessing and hoping you get it right on the third try is a bad strategy – all the wrong guesses count too. **Strategy Tip:** if you get the answer right the first time, don’t try it again. You cannot pull your average score up and might pull it down. But, if you get it wrong the first time and correct the second time, do try it a third time. Answering correctly 1 out of 2 tries gives you a 50% score; answering correctly 2 out of 3 times gives you a 67% score. The only way this strategy can hurt you is if you had a lucky guess on your second try. Even then, it will help you to learn that despite getting the correct answer, you don’t have the concept down yet.

Note: Although Aplia displays a running score of how you are doing on your homework average, I will calculate your score by a different method. Aplia counts each assignment equally. Thus, if you get 100 on one assignment and 50 on another, Aplia will report your average as 75 even if there were 23 questions on the first assignment and only 2 on the second. In contrast, when I calculate your score, I will count a few of the short assignments half as much as long assignments.

**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 – December 15 from 10:30 a.m. to 12:30 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):

<table>
<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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<tr>
<td>B+</td>
<td>77-79.9%</td>
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<tr>
<td>A</td>
<td>84-89.9%</td>
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<tr>
<td>B</td>
<td>74-76.9%</td>
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<tr>
<td>A-</td>
<td>80-83.9%</td>
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<tr>
<td>B-</td>
<td>71-73.9%</td>
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<tr>
<td>C+</td>
<td>65-70.9%</td>
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<tr>
<td>C</td>
<td>58-64.9%</td>
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<tr>
<td>C-</td>
<td>50-57.9%</td>
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<tr>
<td>D+</td>
<td>45-49.9%</td>
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<tr>
<td>D</td>
<td>40-44.9%</td>
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<tr>
<td>F</td>
<td>0-39.9%</td>
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</tbody>
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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. Note that all electronic class announcements will be issued using Aplia, rather than Oncourse.

III) Supply and Demand. Ch. 3. Sept. 8, 13. (no class Sept. 6)
IV) Consumer and Producer Surplus. Ch. 4. Sept. 15.
V) In-Class Market Experiment. Sept. 20.
VI) Messing with Markets (Price controls and quotas). Ch. 5. Sept. 22, 27.
VII) Catch up and Review. Sept. 29.
VIII) Exam. Oct. 4
IX) Sensitivity Training (Elasticity). Ch. 6, Oct. 6, 11.
XII) Decisionmaking. Ch. 9. Nov. 1
XIII) Catch up and Review. Nov. 3
XV) Production and Costs. Ch. 12. Nov. 10
XVII) Monopoly. Ch. 14, Nov. 22. (no class Nov. 24).
XVIII) What’s it to me? (Externalities) Ch. 17. Nov. 29
XX) Catch up and Review. Dec. 6, 8.
XXI) Common Final Exam and Third Exam. Wednesday December 15 from 10:30 a.m. to 12:30 p.m. in Lecture Hall (room to be announced)