

Microeconomic Theory

Economics 100B – Winter 2010
TR 12:30 – 1:45pm, IV THEA1
SYLLABUS

Instructor:

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Teaching Assistants:

Emmon Chu
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Course Overview and Objectives:

This course continues where Econ 100A left off, training you in the key principles of microeconomic theory. We will make the leap from the individual consumer and production decisions studied in 100A to analyzing how consumers and producers exchange goods. We'll focus on markets in equilibrium, how they work, and when/how/why they fail. The goal of the course is to develop your skills at solving problems using theory and prepare you to reason about microeconomic questions with careful, systematic analysis. The emphasis in this course is on reasoning and understanding, not memorization. The skills and methods you learn will find repeated application in further economics

courses and in your understanding of the economic environment in the workplace, in the news, and in general.

Required Background:

You must have passed Econ 100A to take this course. Math 34A-B and PSTAT 5E are also required. The course makes extensive use of algebra, graphs, and basic calculus.

Registration

The Economics Department Undergraduate Office handles all matters related to dropping or adding the course, wait-lists, etc. Please contact them regarding these issues. You can find a link to sign up for the waitlist on the main [Economics Department](#) homepage. During the second week of classes, the Undergraduate office will provide me with a prioritized wait-list and a limited number of access codes. Only then will I be able to admit anyone into the class.

Required Materials:

The required textbook is *Intermediate Microeconomics, 7th Edition*, by Hal Varian, W. Norton & Company. The associated workbook, *Workouts in Intermediate Economics, 7th Edition*, is recommended, but not required. (Note: the workbook originally was designated as required, but in consideration of the high cost of textbooks, the fact that it was not required for the most recent offering of Econ 100A, and the recent fee increases, I've decided to downgrade it to recommended and place extra copies on reserve at the library). Both texts are available from the bookstore and the textbook was required for Econ 100A. Both are available on reserve at the library.

Clickers: We will use clickers in this course. You will use them to give me feedback, check your understanding, and record your attendance. You must bring yours to each class, including the exams. They are available at the bookstore and were required for the most recent offerings of Econ 100A. If you are buying a new one, make sure that you get the kind that the Economics Department uses—the iClicker, officially known as an InterWrite Personal Response System, RF. The Turning Point clickers used in biology will not work.

Exams & Grading:

Midterm 1: January 26, in class	20%
Midterm 2: February 18, in class	20%
Final Exam: March 16, 12-3pm	50%
Section/Quizzes:	10%

The bulk of your grade will be determined by your performance on the two midterms (20% each) and the final exam (50%). The remaining 10% will be determined by your participation in sections and your performance on short quizzes that you will take in section before each exam. Your attendance and answers to clicker questions do not factor explicitly into the calculation of your grade, but a good attendance record may bump you up to the higher of two letter-grades in borderline cases.

At the end of the term, your final average will be calculated by taking a weighted average of your exam scores, etc. according to the above percentages. This final average will be converted to a letter grade partly according to a curve and partly by absolute standards. Historically, about 15% of the class gets a grade in the A range, about 35% percent is in the B range, and about 35% gets a grade in the C range.

The first midterm will only test material covered until then; the second midterm will focus on material learned after the first midterm, but will necessarily rely on some earlier material as well. The final exam will cover material from the entire quarter.

I will regularly assign workouts from Bergstrom & Varian (the recommended workbook) and will occasionally assign other problems posted to the website. It is important that you attempt to do all of these assigned problems and that you attempt them before you see the solutions. You will not turn in these problems, they will not be graded, and **the answers to the problems will not be posted to the web**. Answers to the even-numbered workouts are provided in the back of the workout book. However, the best way to obtain the answers to any of these questions is to work them out on your own and/or with the assistance of the professor or your TA in section or office hours.

Exam Policy:

There will be two midterm exams and a final exam. The exams will be closed-book and will consist of a block of multiple-choice questions (~10-15 on the midterms), followed by a few problems with longer answers. **For each exam please bring a blue-book (full-sized); a large (full-page, pink, ParScore) scantron sheet; and a number 2 pencil.** Pens are optional. No electronic devices (calculators, phones, computers, combinations thereof) are allowed in any of the exams (abacus, slide-rule: ok). Any person observed with such a device in hand or visible will be deemed in violation of class policy and given a failing grade for the course.

The midterms will be held in class on Tuesday, January 26 and Thursday, February 18 and the final exam will be held on Tuesday, March 16, 12-3pm in IV THEA1. You are expected to take all three exams. There are NO makeup exams for any reason. Please clear your schedule now for these dates. If you cannot attend all of the exams, you should not take this class this quarter. If you have a last-minute emergency situation and you have an *official document* attesting to this fact signed by an official authority, it may be possible to shift weight from a missed midterm to the other two exams.

If you believe an exam has not been properly graded, you must submit a written re-grade request to your TA within one week of receiving your exam back. You must explain clearly why you believe your score is in error. We will take a second look at your exam and consider your request. We may revise your score upward *or downward*, but in the vast majority of cases we make no change. Note that once you leave a section/office/class with a returned exam in your possession, you relinquish your ability to request a re-grade. If you are looking at the exam, but would like to make a request at a later time (within the deadline) you may give the exam back to your TA or professor to hold onto until you are able to write the request.

There will be a review session before the final exam. It will be held on Friday, March 12, 2-4pm, location TBA and I will hold extra office hours on Sunday, March 14, 4-6pm.

Academic Integrity:

Please review the University's policies on academic integrity. Some useful guides are found on the Office of Judicial Affairs' website:

<http://judicialaffairs.sa.ucsb.edu/StudentResources.aspx>

Per the university's policy on academic conduct, all academic dishonesty, such as plagiarism and other forms of cheating, will be strictly policed and met with disciplinary actions.

Communication:

Please check the course homepage regularly for up-to-date information. It has a prominent announcements section and FAQ, to which I will add throughout the quarter as new questions arise.

If you have a quick question or an administrative issue, the best way to reach me is by email. Before contacting me, please check the course homepage, particularly the announcements, FAQ and syllabus, as your question may already have been addressed in one of those places. Please include ECON 100B in the subject line of any class-related email. I strive to answer all emails in a timely manner, though I will not respond to questions sent within the last 24 hours before the start of an exam.

If you are emailing me about course content, try to make your questions specific. “Here’s a Stackelberg duopoly problem that I tried, but I got stuck on solving for the follower’s output. Also, can you verify whether I got the leader’s reaction function correct?” is much better than “What’s up with oligopoly?”

I will hold office hours each week so that students have ample opportunity to ask questions about the course material and administration. If you have a scheduling conflict with office hours, I may be available at other times by appointment.

DSP:

Students with disabilities will be accorded academic accommodations. If you require such an accommodation, please let me know at the beginning of the term using the forms provided by the DSP office. You are required to request the accommodations in advance of each relevant class activity (e.g. exam) and the accommodations will be arranged through the DSP office and the Economics Department Undergraduate Office. If you are uncertain how to go about doing this, please contact the DSP office.

Sections:

Code	Day	Time	Location	TA
12641	F	8-8:50	GIRV 2115	Chu
12658	R*	8-8:50	SH 1439	Fischer
12666	F	9-9:50	GIRV 2115	Chu
12674	R*	9-9:50	PHelp 1508	Fischer
12682	F	10-10:50	NH 1111	Neira
12690	R	5-5:50	387 101	Green-Armytage
12708	F	11-11:50	NH 1105	Neira
12716	R*	11-11:50	PHelp 3519	Green-Armytage
52597	W*	8-8:50	GIRV 2119	Queen
52605	W*	9-9:50	ARTS 1251	Queen
52613	T*	5-5:50	GIRV 2123	Welding
52621	T*	6-6:60	GIRV 2119	Welding

* section meets between T and R lectures

You are scheduled to attend one section meeting per week. Section meetings will be devoted to answering students’ questions and solving problems, mainly from *Workouts in Microeconomic Theory*.

Exactly three times during the quarter—once during the week of January 11-15 and once during the week of February 1-5, and once during the week of March 1-5—there will be a very short quiz in section. These quizzes are meant to be largely diagnostic and have only a modest impact on your grade.

The results of these quizzes, as well as your participation in section will contribute 10% of your overall grade.

You must attend the section for which you are registered, unless you have the written consent of both the TA for the section that you will be attending and the TA for the section for which you are registered.

How to Succeed in this Course:

You must be an active participant in this class if you expect success. It is important to read the chapters in the text and do as many of the assigned homework problems as you can. First try them on your own and before your section, then work with others to finish what you could not do by yourself.

We will work through many of these exercises in section and OH, but this will be much less helpful to you if you have not seriously attempted them on your own first. **Solutions to these problems will *not* be posted on the web. Please do not ask for them. (Even if you really want them.)** If you carefully review all the recommended problems you should feel like you did the minimum amount to prepare for exams.

Come to the lecture. I will usually post lecture notes *before* each lecture, which you may want to print and bring to class. If you do not understand something in the lecture, ask for clarification. Attend your section. Come to office hours with questions. Identify the workouts/exam/quiz questions that give you trouble and use all the resources at your disposal to understand them immediately, rather than waiting until a week before the exam.

Tentative Outline and Schedule:

(This is subject to change. Please check the [course website](#) regularly for announcements and updates.)

Date	Topics	Reading (Chapter)	Recommended B&V Workouts
5 January	Introduction, Uncertainty	12	All
7	Uncertainty	12	
12	Welfare/Consumer surplus	14	14.1-3, 14.8
14	Market Demand	15	All
19	Equilibrium	16	16.1-5, 16.9-12
21	Equilibrium	16	
26	Midterm 1	Covers: 12, 14-16	
28	Monopoly	24	24.1-5
2 February	Monopoly	24/25	
4	Monopoly Behavior	25	25.1-8
9	Oligopoly	27	27.1-5, 27.7
11	Oligopoly	27	
16	Exchange	31	
18	Midterm 2	Covers: 24-25, 27	
23	Exchange	31	31.1-5
25	Externalities	34	34.1-4, 34.6, 34.8-11
2 March	Externalities	34	
4	Public Goods	36	All
9	Public Goods	36	
11	Recap		
16 (Tuesday)	Final Exam (12 - 3pm)	Covers: all of the above chapters	