

ECONOMICS 301-02  
Microeconomic Theory and Policy  
FALL 2017

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**Note:**

All information on this syllabus is subject to change. Any changes to syllabus will be announced via Canvas (in addition to in class). Please make sure that you are receiving notifications via Canvas every day for this course.

**Required Texts:**

1. *Microeconomics Theory and Applications with Calculus, 4<sup>th</sup> Edition* by Jeffrey M. Perloff  
My EconLab for Microeconomics Theory and Applications with Calculus, 4th Edition. Go to <http://www.pearsonmylabandmastering.com/northamerica/myeconlab/> to register.  
The course number is wang10721.

Earlier editions may be less expensive; and rental may be the lowest cost option. If you use an earlier edition, it is your responsibility to keep track of possible discrepancies in page numbers, problems, chapter numbers, etc.

2. Class workbook: I will post them on the Canvas. Please print them out and bring them to the class. And during the class we will complete them and they will be your class notes.
3. External articles, readings, podcasts etc: They are listed in the course time table. You are expected to read them before coming to the lecture discussions.

**Why you may want to take this class?**

As a future business person, you might want to know how to establish a profit maximizing selling price for a product; if you work in international health policy organizations in Africa, you may want to know what incentives work (or do not work) in nudging people's health and safety behaviors in order to lower the overall HIV prevalence; when you work in an antitrust organization, you will determine whether a merger would reduce competition and lead to higher prices for consumers; and majority of Macroeconomics models start with household maximizing welfare and firms maximizing profits – the “Micro Foundation”.

This course will provide you with the necessary knowledge and skills to tackle these problems using rigorous tools and structured models – including calculus. We will examine the theories of demand and production, and the determination of prices for commodities and factors of production in competitive and non-competitive markets. The concept of economic efficiency is central to the course.

### **Course Objectives:**

To prepare students to present and explain the models that make up microeconomic theory including the theory of the consumer, the theory of production, cost theory, theories of competitive and non-competitive markets and other topics as time permits. The second goal is for students to be able to apply these economic theories or models to recognize, examine, and solve economic problems. The third goal is for students to pursue economic learning more self-consciously and effectively.

### **Curricular Goals:**

The work in this course also contributes to achieving the following curricular goals:

Goal 2 The essential skills which serve as a foundation for critical thinking and argumentation.

Goal 3 The ability to reason quantitatively.

### **Learning Outcomes:**

Students will demonstrate the ability to use the concepts and tools of microeconomic theory to attain an understanding of decision making by firms and individuals in a market economy, including the efficiency consequences of such decision making in different market structures. In addition, students can compare and propose methods to improve efficiency related to real life economic problems, and use microeconomic theory to evaluate their proposals.

### **Communications:**

All the class announcements will be made through Canvas. Please check up on it at least once a day.

In emails, please include the name of the class and section in the subject of your email. Please allow one business day for email response. In the unlikely event that the instructor hasn't replied in a business day, you are encouraged to follow up and contact the instructor again.

To increase efficiency and reduce waiting time, please sign up for office hour slots using your full name and the google excel sheet link below. Please only sign up for one slot per day. Feel free to just drop in as well, while the instructor will prioritize talking with students who have made appointments.

<https://docs.google.com/spreadsheets/d/1KHLyWCF9a9PJA8JtWpEmivTpZl5xgNptyiHIXWXOOKU/edit?usp=sharing>

### **Graded Items and Activities:**

#### *Problem Sets*

There will be 5 problem sets assigned. Late work will be accepted for 60% of the possible points up until 3 calendar days when it is due, unless accompanied by an acceptable form of proof of absence (doctor's note, police report, etc.) in which case full credit will be possible. No late homework is accepted after 3 calendar days when it is due. Problem sets will be handed in at the beginning of the class on due dates. No electronic copies are accepted. Homework with identical answers will be given no credit and without exception referred to the Committee on Standards.

### *MyEconLab Assignments*

We use MyEconLab assignments to enhance our practice and prepare for the upcoming classes. These assignments will be 1-2 per week. You will be able to drop your lowest grade MyEconLab Assignment at the end.

### *Exams*

The three exams assess the students' mastery of the material in the learning outcomes. No make-up exams will be given. Material for the exams may come from class lectures, class participation questions and discussions, homework, and the text; it will also test your ability to apply the knowledge on real world problems.

Exams will be written and follow the form of T/F and or definitions, "short" problems, and "long" problems. Problems found at the end of the chapter are a good review for exam question format. The subject is by its nature cumulative, and so the exams will assume an understanding of all previously covered material. However, the focus (60%-80%) will be on material covered since the previous exam.

Additionally, in the class Wiki section @ Canvas students may volunteer to post questions related to class materials including the answers. The instructor may include no more than two of these posted questions in each of the three exams.

### *Class Participation (Cap: 100 Points)*

#### a. Pop Quizzes

We will take (both open-book and closed-book) pop quizzes during the class just to motivate you to stay focused. The content will be drawn from material covered on that day. Each pop quiz will be of 10 points. There will be 8 quizzes total.

#### b. In Class Cold-call and Volunteer Questions

We will have in class discussion based on the assigned materials. There will be cold-call questions and volunteer discussion questions. The cold-call questions are done by drawing names from shuffling without replacement (so no backbenchers); the people being called have the option of answering the question on their own, or pass-on the question to another person of their choice; the volunteer questions are open to anyone regardless of whether him/her has been drawn before. Each question worth 4 points.

#### c. Other opportunities to gain extra credits in class may be available throughout the semester; these opportunities will be open to all students.

### **Grading Policies:**

*Note: You take the final exam to receive a class grade above F.*

You will receive a percentage grade for each component in Table 2; the weighted average percentage class grade will be calculated based on the weights in the second column of Table 2; then the percentage grade will be converted to the class letter grade in Table 1.

**Table 1**  
Grading Scale

Numeric Score	Letter Grade
98 – 100	A+
93 – 97	A
90 – 92	A -
87 – 89	B +
83 – 86	B
80 – 82	B -
77 – 79	C +
73 – 76	C
70 – 72	C -
67 – 69	D +
63 – 66	D
60 – 62	D -
0 – 59	F

**Table 2**  
Component Weights

Problem Sets (5 total)	20%
MyEconLab Assignments	10%
Exam 1	20%
Exam 2	20%
Final Exam	30%
Class Attendance	See below
Class Participation	7%, bonus

**Attendances and Tardiness:**

The instructor expects students to attend all classes on time. If you miss a class, you are responsible for the material. There is no opportunity to make up in-class work. Attendance is taken at the beginning of each scheduled lecture meeting (so do not be late).

You get **three** zero penalty absences/late arrivals from the class. For each absence/late arrival beyond the third one, your final class grade will be lowered by one increment.

The instructor’s attendance record is the final arbiter of your attendance. It is your responsibility to make sure that you answer the roll each day. There are no excused absences for any reason. If you will need time off for other events or illness or family emergencies, then it is optimal for you to save those three absences for which you will not be penalized.

For reasons due to religious observations, it is students' obligation to inform faculty of any necessary accommodation well in advance of the date (2 full weeks minimum) on which special accommodations are needed.

**Late Exams and Assignments:**

No make-up exams/quizzes will be given. Late work will be accepted for 60% of the possible points up until 3 calendar days when it is due, unless accompanied by an acceptable form of proof of absence (doctor's note, police report, etc.) in which case full credit will be possible. No late homework is accepted after 3 calendar days when it is due.

**Academic Honesty Statement:**

The instructor (and the Colleges) expect you to conduct yourself with academic honesty and integrity. According to the Handbook of Community Standards:

*Giving or receiving assistance during an in-class or take-home examination, quiz, or any other academic exercise, except as specifically authorized by an individual course instructor, violates this principle.*

*The presentation or reproduction of ideas, words, or statements of another person as one's own, without due acknowledgment, is considered plagiarism and violates this principle. (See the Handbook of Community Standards for more information about what constitutes plagiarism).*

Any case of plagiarism will be presented to the Deans' office and the Colleges' Committee on Standards. The instructor reserves the right to fail any student caught cheating or plagiarizing.

**Disabilities Syllabus Statement:**

Disability Accommodations: If you are a student with a disability for which you may need accommodations, you should self-identify, provide appropriate documentation of your disability, and register for services with Disability Services at the Center for Teaching and Learning (CTL). Disability related accommodations and services generally will not be provided until the registration and documentation process is complete. The guidelines for documenting disabilities can be found at the following website: [http://www.hws.edu/academics/ctl/disability\\_services.aspx](http://www.hws.edu/academics/ctl/disability_services.aspx)

Please direct questions about this process or Disability Services at HWS to Christen Davis, Coordinator of Disability Services, at [ctl@hws.edu](mailto:ctl@hws.edu) or x 3351.

**Classroom Decorum and Academic Discourse:**

The instructor's goal is to create an engaging, motivative and inclusive class environment that promotes learning and growth. I would politely ask you to avoid late arrivals and early departures that disrupt a natural flow of the class. Needless to say that chitchatting, texting, and facebooking during the class do not constitute an act of mutual respect. I would also encourage you actively participate in class discussions, and remain attentive and respectful when your fellow classmates are speaking.

**Campus Support Services:**

At Hobart and William Smith Colleges, we encourage you to learn collaboratively and to seek the resources that will enable you to succeed. The **Center for Teaching and Learning (CTL)** is one of those resources: CTL programs and staff help you engage with your learning, accomplish the tasks before you, enhance your thinking and skills, and empower you to do your best. Resources at CTL are many: Teaching Fellows provide content support in 12 departments, Study Mentors help you manage your time and responsibilities, Writing Fellows help you think well on paper, Q Fellows support you in courses that require math, and professional staff help you assess academic needs.

The instructor encourages you to explore these and other CTL resources designed to encourage your very best work. You can talk with me about these resources, visit the CTL office on the 2<sup>nd</sup> floor of the library to discuss options with the staff, or visit the CTL website.

The CTL resource(s) of most use for this class include:

#### Teaching Fellows

CTL works with the Economics Department to offer one resource that will be essential to your learning in this course, the Economics **Teaching Fellows**. The Teaching Fellows are accomplished Economics majors and minors who are paid to assist other students. They hold regular study hours Sunday—Thursday (I will post this term's hours as soon as they are available).

#### Q Fellows

The CTL resource that will be most essential in enhancing learning in this course is the **Q Fellows** program. The Q Fellows offer support in courses that require students to use quantitative reasoning, mathematical processing, and symbolic logic to be successful. They are generalists, trained to work with students on the mathematical reasoning necessary to understand the content in a variety of disciplines. The Q Fellows hold drop-in hours and offer support to students around a wide range of mathematical concepts, from Algebra refreshers to learning Calculus II concepts. Students come from many departments including Environmental Studies, Economics, Physics, and Psychology, for a variety of reasons: reviewing basic mathematical concepts, deciphering statistic methods, applications of Calculus and many others.

#### Study Mentors

The CTL resource especially valuable to students either just starting college OR adjusting to the demands of their choice of Major is the **Study Mentor** program. Study Mentors engage directly with each student in the process of adjusting to new academic demands: they help you find the time you need for both your academic and co-curricular activities, and can help you find strategies to accomplish the tasks in front of you and enhance your reading and study time. Study Mentors may be especially important for those of you who are involved in many activities, work on or off campus, are studying for Teaching Certification, graduate school exams, or prepping for fellowships, or who have one or more unusually demanding courses on your schedule. To meet with a Study Mentor, make an appointment via StudyHub on the CTL website. You can also contact Ingrid Keenan, x3832, [keenan@hws.edu](mailto:keenan@hws.edu), or drop in at the CTL office on the 2nd floor of the library.

#### **Instructor Recommendation for Success:**

- 1. Ask question in class and outside of class:** The only stupid question is the one that you don't ask. Also, be attentive and respectful whenever other students ask a question, either in class or seeking help from you outside of the class, as in turn you will not be afraid of being judged by the instructor or your classmates to ask a question.

2. **Invest in time continuously and keep up with the coursework:** On average, the instructor will expect the students invest in at least 10 hours per week outside of the class to read the material, complete the homework, and prepare for the exam. The intermediate microeconomics is significantly more mathematically challenging, with materials building upon one another. It is very unlikely that you can study it couple of days before the exam take place (and it is not a memorization course).
  
3. **Read the material before we cover them in class:** We will adopt a fast-paced interactive lecture in class. First because we have a lot of material to cover; secondly because we do not want anyone to feel tedious and to lose engagement in class. Therefore, I will expect you to have already read the material once and come in class with questions on the material. Bringing questions to class will also improve effectiveness in learning and save your total amount of time invested in this class (promote efficiency of time scarcity).
  
4. **Balance individual work and group work:** Some study tasks are more efficiently done alone without the distraction from other people, such as reading the material, and solving mathematically intense problems. Also, the biggest advantage of working on the homework on your own is to give you feedback on what you know and don't know, and prepare you for tests, where you will also be asked to solve problems on your own, as this is the best way to demonstrate knowledge of the material. But having a group of friends in class will also give you a chance to help each other with difficult materials, to decrease anxiety, and to form your squad of support inside and outside the class.
  
5. **Manage stress and anxiety:** Smooth out the time and effort inputs to the class all through the semester. Do some stress reducers everyday such as walking outside, deep breathing, and box breathing. The best relaxation for knowledge workers are physical work/activities, so working out may be a better stress reducer than watching movies/videos.
  
6. **Contribute to a respectful, active, and inclusive environment and community of support:** Speak up your ideas and thoughts in class. It would reinforce your learning (even if you got it wrong) and connect you to the people whom you will spend most of the semester with.

**Tentative Course Schedule:**

Adjustments may be made over the course of the term.

Time	Readings
Week 1 August 28, 30 September 1	<b>Chapter 1</b> External video: Psychology of Scarcity <a href="https://www.youtube.com/watch?v=592cmhCzbZs">https://www.youtube.com/watch?v=592cmhCzbZs</a> External Article: Bruni, L. and Sugden, R. (2013). Reclaiming Virtue Ethics for Economics. <i>Journal of Economic Perspectives</i> , 27(4), pp.141-164. <a href="https://www.aeaweb.org/articles?id=10.1257/jep.27.4.141">https://www.aeaweb.org/articles?id=10.1257/jep.27.4.141</a> <b>Chapter 2</b> External Article: Economists Argue About Minimum Wages <a href="https://www.economist.com/news/finance-and-economics/21724802-two-studies-their-impact-seattle-reach-opposite-conclusions-economists-argue">https://www.economist.com/news/finance-and-economics/21724802-two-studies-their-impact-seattle-reach-opposite-conclusions-economists-argue</a>
Week 2	<b>Chapter 3</b>

September 4, 6 and 8	<p>External Article: What Makes a Terrorist <a href="http://www.aei.org/publication/what-makes-a-terrorist/">http://www.aei.org/publication/what-makes-a-terrorist/</a></p> <p>External Article: Gneezy, U., Meier, S. and Rey-Biel, P. (2011). When and Why Incentives (Don't) Work to Modify Behavior. <i>Journal of Economic Perspectives</i>, 25(4), pp.191-210. <a href="https://www.aeaweb.org/articles?id=10.1257/jep.25.4.191">https://www.aeaweb.org/articles?id=10.1257/jep.25.4.191</a></p> <p>Problem set 1 due on September 8.</p>
Week 3 September 11, 13 and 15	<p><b>Chapter 4</b></p> <p>External Article: Jensen, R. and Miller, N. (2008). Giffen Behavior and Subsistence Consumption. <i>American Economic Review</i>, 98(4), pp.1553-1577. <a href="https://www.aeaweb.org/articles?id=10.1257/aer.98.4.1553">https://www.aeaweb.org/articles?id=10.1257/aer.98.4.1553</a></p>
Week 4 September 18, 20, 22	<p><b>Chapter 5</b></p> <p>External Article: The Henry J. Kaiser Family Foundation. (2017). The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review. [online] Available at: <a href="http://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/">http://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/</a></p> <p>External Article: Goldberg, J. (2016). Kwacha Gonna Do? Experimental Evidence about Labor Supply in Rural Malawi. <i>American Economic Journal: Applied Economics</i>, 8(1), pp.129-149. <a href="https://www.aeaweb.org/articles?id=10.1257/app.20130369">https://www.aeaweb.org/articles?id=10.1257/app.20130369</a></p> <p>Problem set 2 due on September 22</p>
Week 5 September 25, 27, 29	<p><b>Chapter 6</b></p> <p>External Article: Lack of affordable houses undermines US productivity <a href="https://www.ft.com/content/ff51fb36-36e9-11e7-99bd-13beb0903fa3">https://www.ft.com/content/ff51fb36-36e9-11e7-99bd-13beb0903fa3</a></p> <p>External Podcast: The Economics of Sleep <a href="http://freakonomics.com/podcast/the-economics-of-sleep-part-2-a-new-freakonomics-radio-episode/">http://freakonomics.com/podcast/the-economics-of-sleep-part-2-a-new-freakonomics-radio-episode/</a></p>
Week 6 October 2, 4, 6	<p><b>Chapter 7.1 Chapter 7.2</b></p> <p>Review Session</p> <p><b>Exam 1</b></p>
Week 7 October 11, 13	<p><b>Chapter 7.3 Chapter 7.4, Chapter 7.5</b></p> <p><b>Chapter 8.1, Chapter 8.2</b></p> <p>External Readings: Companies with Benefits <a href="http://www.newyorker.com/magazine/2014/08/04/companies-benefits">http://www.newyorker.com/magazine/2014/08/04/companies-benefits</a></p> <p>External Readings: Karlan, D., Osei, R., Osei-Akoto, I. and Udry, C. (2014). Agricultural Decisions after Relaxing Credit and Risk Constraints. <i>The Quarterly Journal of Economics</i>, 129(2), pp.597-652. <a href="https://academic.oup.com/qje/article-abstract/129/2/597/1867065/Agricultural-Decisions-after-Relaxing-Credit-and?redirectedFrom=PDF">https://academic.oup.com/qje/article-abstract/129/2/597/1867065/Agricultural-Decisions-after-Relaxing-Credit-and?redirectedFrom=PDF</a></p>
Week 8 October 16, 18, 20	<p><b>Chapter 8.3, Chapter 8.4</b></p> <p><b>Chapter 9.1 Chapter 9.2</b></p> <p>Gentzkow, M. and Shapiro, J. (2008). Competition and Truth in the Market for News. <i>Journal of Economic Perspectives</i>. <a href="http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.22.2.133">http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.22.2.133</a></p> <p>Problem Set 3 Due on Friday October 20</p>
Week 9 October 23, 25, 27	<p><b>Chapter 9.3 Chapter 9.4</b></p> <p><b>Chapter 9.5 Chapter 9.6</b></p> <p>External Readings: Hotchkiss, J., Quispe-Agnoli, M. and Rios-Avila, F. (2015). The wage impact of undocumented workers: Evidence from administrative data. <i>Southern</i></p>



	<p>Economic Journal, 81(4), pp.874-906.  <a href="http://onlinelibrary.wiley.com/doi/10.1002/soej.12020/abstract">http://onlinelibrary.wiley.com/doi/10.1002/soej.12020/abstract</a>  <b>Chapter 11.1, 11.2</b></p>
<p>Week 10                  October 30,                  November 1,                  3</p>	<p><b>Chapter 11.3 11.4</b>                  External Readings: How to Make It in The Food Truck Business  <a href="http://www.npr.org/sections/money/2012/04/25/151365350/how-to-make-it-in-the-food-truck-business">http://www.npr.org/sections/money/2012/04/25/151365350/how-to-make-it-in-the-food-truck-business</a>                  External Readings: The last Kodak moment?  <a href="http://www.economist.com/node/21542796">http://www.economist.com/node/21542796</a>                  External Readings: FTC Puts Conditions on Johnson &amp; Johnson's Proposed Acquisition of Synthes, Inc. <a href="https://www.ftc.gov/news-events/press-releases/2012/06/ftc-puts-conditions-johnson-johnsons-proposed-acquisition-synthes">https://www.ftc.gov/news-events/press-releases/2012/06/ftc-puts-conditions-johnson-johnsons-proposed-acquisition-synthes</a>                  Review Session  <b>Exam 2</b></p>
<p>Week 11                  November 6,                  8, 10</p>	<p><b>Chapter 11.5, 11.6, 11.7, 11.8</b>                  External Readings: Brunt, C. and Bowblis, J. (n.d.). An Analysis of the Effects of Health Insurer Monopsony Power on Primary Care Physician Practices. SSRN Electronic Journal.  <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2135555">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2135555</a>  <b>Chapter 12.1 Chapter 12.2</b></p>
<p>Week 12                  November                  13, 15, 17</p>	<p><b>Chapter 12.3, 12.4, 12.5, 12.6, 12.7</b>                  External Readings: Aseervatham, V., Lex, C. and Spindler, M. (2015). How Do Unisex Rating Regulations Affect Gender Differences in Insurance Premiums?. The Geneva Papers on Risk and Insurance - Issues and Practice, 41(1), pp.128-160.  <a href="https://link.springer.com/article/10.1057/gpp.2015.22">https://link.springer.com/article/10.1057/gpp.2015.22</a>  <b>Chapter 13.1, 13.2</b>                  Problem Set 4 Due on Friday November 17</p>
<p>Week 13                  November 20</p>	<p><b>Chapter 13.3, 13.4</b>                  External article: Prison Breakthrough <a href="https://www.economist.com/news/economics-brief/21705308-fifth-our-series-seminal-economic-ideas-looks-nash-equilibrium-prison">https://www.economist.com/news/economics-brief/21705308-fifth-our-series-seminal-economic-ideas-looks-nash-equilibrium-prison</a>                  Thanksgiving weekend</p>
<p>Week 14                  November                  27, 29                  December 1</p>	<p><b>Chapter 14.1 14.2 14.3</b>                  External Readings: Economics of the Taxi Industry: An Uber Shake-up  <a href="http://repository.uwyo.edu/cgi/viewcontent.cgi?article=1032&amp;context=honors_theses_15-16">http://repository.uwyo.edu/cgi/viewcontent.cgi?article=1032&amp;context=honors_theses_15-16</a>                  Special Topics - Guest lecturer: Leila Salarpour Goodarzi (Binghamton University)  <i>Mahr and Divorce; an Islamic marriage concept and its effects on bargaining power of couples in divorce.</i>                  Problem Set 5 Due on Friday December 1</p>
<p>Week 15                  December 4,                  6, 8</p>	<p>Special Topics                  Review</p>
<p>Final Week</p>	<p>Tuesday, Dec. 12, 2017                  7:00 PM – 10:00 PM</p>