

**ECONOMICS 101**  
**INTRODUCTORY MICROECONOMICS**  
**FALL 2010**

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**TEXT:**

Microeconomics by Paul Krugman and Robin Wells, second edition, Worth Publishers, 2005. **Note: if you choose to use the first edition you will need to spend time reconfiguring the reading list to fit that text. The second edition does involve substantial organizational changes from the first edition.**

**OVERVIEW:**

Economics is the study of the production, allocation and distribution of goods and services in a world where resources are scarce. In this course we will explore some basic concepts: the notion of scarcity and how it relates to opportunity cost; supply and demand; taxation and other government programs; externalities and public goods; production and cost theory; perfect competition, monopoly and other types of market structures; factor markets; and consumer theory. We may consider other topics as time allows.

**COURSE WEBSITE:** [www.ssc.wisc.edu/~ekelly/econ101](http://www.ssc.wisc.edu/~ekelly/econ101)

Practice questions and problems are available on the course website. In addition, important information with regard to exams, TA contact information, and announcements will be posted on this website. It is your responsibility to check the website for announcements, assignments, and any possible changes related to the course plan.

**COURSE STRUCTURE AND GRADING POLICY:**

**1. LECTURES:**

There will be two lectures and a discussion section each week. Students are expected to have completed the reading prior to lecture. Attendance is not mandatory at the lectures, but exams will focus primarily on material presented in lecture. A second reading of the textbook after the lecture will greatly enhance your understanding of the ideas being presented. After the first two weeks of class the pace of the class and the difficulty of the material presented increases: students should make every effort NOT to miss class since the pace of the class is fast.

**2. DISCUSSION SECTIONS:**

Attendance at discussion sections is highly recommended. Your Teaching Assistant will take attendance at every meeting. Discussion sections provide an opportunity to ask questions, go over problems from the large lecture or from the webpage, and generally reinforce material that has

been presented in lecture. **The discussion section is also the place where more complicated and challenging problems will be explored: these problems will build off the material presented in the large lecture.** Your T.A. will be available during the discussion section and during office hours to answer your questions. In addition to attending the discussion section that you are enrolled in, you are also welcome to attend other discussion sections.

### 3. GRADES:

There will be two midterms and a final exam as well as five homework assignments. The weights for the midterms, final, and homework are as follows:

MIDTERM I:	25% of grade
MIDTERM II:	25% of grade
FINAL:	40% of grade
5 Homework Assignments:	10% of grade

Although attendance is not required at class you are responsible for any material, written assignments, reading material, etc. covered or assigned in class.

The format of the midterm exams and the final will be announced in class prior to the date of the exams.

Midterm exams will be held in class: students should plan to arrive at their assigned classroom fifteen minutes early on these dates in order that the exam can start on time. Students arriving late will not receive compensating time: all exams must be turned in to the proctor at the end of the allotted exam time. **THERE ARE NO MAKEUP MIDTERM EXAMS.** If you miss an exam and have a valid excuse, your final exam grade's weight will be increased to make up for the missing midterm. If you do not have a valid excuse, you will receive a zero for that exam. Job interviews and travel plans (except as required by university-sponsored activities) do not constitute valid excuses for missing an exam. Students should plan to be in Madison, Wisconsin until they take the final exam. If you are unable to take an exam because of a valid excuse, please contact me in advance, if possible.

The final will be comprehensive and cumulative.

Homework assignments will be posted on the web and will be due on their assigned dates at the class lecture. **NO LATE HOMEWORK ASSIGNMENTS WILL BE ACCEPTED. THERE WILL BE NO MAKEUP HOMEWORK.** If you fail to turn in homework you will receive a zero for that homework. All homework must be turned in at the beginning of class lecture (NO EXCEPTIONS TO THIS!) Students may work together on homework assignments, but must submit their own answers independently. Sharing knowledge does not mean sharing homework. Answers that are copies on one another will be treated as violations of academic integrity and will be punished accordingly.

**Exam Dates:**

Midterm I: Tuesday, October 5, 2010

Midterm II: Tuesday, November 9, 2010

Final Exam: Sunday, December 19, 2010 at 7:45 a.m.

**Homework Due Dates:**

Homework #1: Tuesday, September 21, 2010

Homework #2: Tuesday, September 28, 2010

Homework #3: Tuesday, October 26, 2010

Homework #4: Tuesday, November 2, 2010

Homework #5: Tuesday, December 14, 2010

NOTE: Failure to do the homeworks competently, thoroughly and consistently really hurts your grade: students who choose not to do the homeworks will find that their final computed weighted average grade is significantly impacted by this decision.

NOTE: Please make a copy of your homework before submitting it so that you can compare your answers to the web-posted answers. Answers will be posted the day the homework is due and you will want to be able to verify that your work was accurate prior to the midterms and final.

NO EXAM GRADES WILL BE DROPPED. LOW GRADES WILL NOT BE DROPPED.

THERE WILL BE NO MAKEUP EXAMS TO REPLACE MIDTERMS THAT HAVE BEEN MISSED.

Grading: Your grade will be based on your overall performance. The final grade distribution will fall roughly along the following guidelines:

Top 15%: A  
Next 18%: AB  
Next 20%: B  
Next 20%: BC  
Next 18%: C  
Bottom 9%: D and F

#### 4. PROFESSOR KELLY'S EXPECTATIONS FOR HER STUDENTS:

- Students will find their understanding of the material will be enhanced if they
  - Attend all lectures
  - Take notes during the lectures
  - Are awake and alert during each lecture
  - **Review and rewrite their lecture notes after the lecture**
- Students will understand the material better if they
  - Attend discussion section each week
  - Identify any questions or problems they have with the material before going to discussion section
  - Ask questions and participate every week in discussion section
  - Go to T.A. office hours with any additional questions
  - **Go to the website and work practice problems and old exams**
- Students often find study groups to be a helpful study aid
  - **Make a point of meeting at least four other students in the class so that if you miss a class you can get the notes**
  - **Meet with this group on a regular basis and discuss the material and practice questions that are on the web with this group**
- Students will understand the lecture more if they read the text prior to the lecture
  - Take reading notes and do not highlight when you read
  - Students should do the assigned reading again after the lecture and take a second set of reading notes
  - Writing reading notes will help you learn to summarize the material in your own words and the action of taking reading notes will help you retain the material
- Students failing to achieve an average of 50% for all graded material should not expect to pass this class
- If you are a senior please remember that you are not a graduating senior until you have successfully completed all the required coursework for graduation at the university.
- Students should keep a datebook and have all test dates and review sessions recorded in this notebook.
- Students struggling with material should see their T.A.s during the T.A.'s office hours.
- Students with questions about their grades should see Professor Kelly. No student should expect special consideration beyond that offered due to a student's status as a McBurney student.

Students who come to see me with concerns about the course will be asked about each of these expectations in turn. My belief is that for most students to succeed in this course they must follow the above guidelines.

**Academic Integrity:**

*“Society depends upon some minimal level of integrity in our graduates, not just upon their academic knowledge or skills.”*

- Gary Pavela, founding member of The Center for Academic Integrity

Academic misconduct is a vital issue concerning all members of the University community. Those who engage in academic misconduct, and those who ignore it when they become aware of it, threaten the integrity of the University and of the educational process.

As a UW-Madison student, you have the right to expect that you and other students will be graded fairly, and you have rights of due process should you be accused of misconduct. You also have an obligation to conduct your academic work with honesty and integrity according to University standards. Therefore, it is important that you:

- Become familiar with the rules of academic misconduct.
- Ask your instructor if you are unsure what behaviors constitute academic misconduct in a specific class or assignment (for example, how to cite from the web or whether to work with another student on an assignment).
- Let your instructors know if you think you see incidents of misconduct.
- Be aware that helping someone else to cheat is a violation of the rules and may result in misconduct charges against you.

**Tentative Course Outline:**

The Reading list along with the list of dates is always my best guess as to where we will be at a particular point in the semester. Please know that we will likely deviate from the dates with regard to the reading assignments, but that the test dates, and homework dates will not be changed and the general coverage for each test will be as given. Frequent announcements will be made in class to let you know where we are in the reading.

Topic & Assignments	Reading Assignment
Intro to the course; administrative details; production possibility frontiers	Intro, Chapters 1-2, Appendix to chapter 2
Comparative and Absolute Advantage	Chapter 8 (pp.195-205)
Supply and Demand	Chapters 3, 4 and 5
Supply and Demand; Interventions in Markets; International Trade	Chapters 6, 7 (pp. 167-182), and 8 (pp. 205-224)
Elasticity	
<b>First Midterm</b>	<b>Covers Chapters 1 through 8 and the Appendix to Chapter 2</b>
Real and Nominal Prices	
Consumer Theory	Chapters 9, 10, and 11; Appendix to chapter 20
Production and Cost	Chapter 12
Perfect Competition	Chapter 13

Monopoly	Chapter 14
Monopoly and Price Discrimination	
<b>Second Midterm</b>	<b>Covers Chapters 9 through 14, and the Appendix to Chapter 20</b>
Oligopoly, Game Theory and Monopolistic Competition	Chapters 15 and 16
Factor Markets*	Chapter 20
Income Distribution*	
Externalities	Chapter 17
Public Goods and Common Resources	Chapter 18
Asymmetric Information	Chapter 21 (pp. 559-563)
Taxes*	Chapter 7 (pp. 183-191) and Chapter 19
Wrap-up loose ends	
<b>Final Exam</b>	<b>Final Exam is cumulative and comprehensive and will cover everything presented in class</b>

\*These topics may not be covered depending upon the pace of the course for the semester. There will be announcements in class about whether you should read this material or not.

## Grievance Procedure

The Department of Economics has developed a grievance procedure by which students may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If a student has a disagreement with an instructor or teaching assistant, we strongly encourage trying to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

To file a grievance, go to Room 7470 Social Science and request a Course Comment Sheet. When completing the comment sheet, please provide a detailed statement describing what aspects of the course seem unsatisfactory. Sign the sheet, provide student I.D. number, address, phone number, and email address. The Department will investigate comments fully and will respond in writing.

Grievances must be filed in a timely manner. Normally, grievances **MUST BE FILED WITHIN 30 DAYS OF THE START OF THE FOLLOWING SEMESTER**. This deadline will be waived only under exceptional circumstances.

Your name, address, phone number, email address, and student I.D. number will not be revealed to the instructor or teaching assistant, and will be treated as confidential. The Department needs this information if it becomes necessary for a commenting student to meet with the Department Chair or a nominee to gather additional information. A name and address are necessary to provide a written response.

(updated 8/2010)