

**Economics 101**  
**Principles of Microeconomics**  
**Fall 2010**

**Professor:** Geoffrey L. Wallace

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**Course Website:** [http://www.ssc.wisc.edu/~gwallace/ECON\\_101/econ\\_101.htm](http://www.ssc.wisc.edu/~gwallace/ECON_101/econ_101.htm)

**Office Hours:** Wednesdays 10-noon, or by appointment.

**Lecture:** Monday and Wednesday in 6210 Social Sciences

**Course Description:** Microeconomics is the study of how individuals, firms, and the government interact within the context of markets to determine how scarce resources are allocated. In this introductory course we will focus on the development of economic models that can be used to analyze these interactions. Topics covered will include supply and demand analysis, production analysis, market outcomes under different assumptions regarding the degree of competition, and the effects of various government policies such as taxes, subsidies, and price controls.

**Prerequisites:** Successful completion of or exception from the Quantitative Reasoning Part A requirement. While not a math course, students in economics 101 will be required to do some algebraic manipulation and mathematical reasoning. Students who have a hard time with math will need to be fairly diligent in making sure that they do not fall behind. In most cases this diligence requires receiving assistance from the teaching assistants during their office hours.

**Required Text:** Microeconomics, 2nd Edition, by Paul Krugman and Robin Wells. Available at the University Book Store.

**Course Requirements:** Students are expected to attend all lectures and discussions sessions. In addition, students will be responsible for the completion of weekly problem sets. These problem sets will be graded using a check+, check, check- grading scale. Students are encouraged to work in groups on problem sets, but each student must turn their own work. Problem sets will be turned in during sections and late homework will not be accepted under any circumstances. The problem sets will account for 10 percent of the grade and are intended to provide intensive practice in applying the analytical tools developed in lecture.

**Discussion Sections:** All students enrolled in this class should be assigned to a discussion section with a teaching assistant. These discussion sections meet once a week with a graduate student teaching assistant. In discussion sections the problem sets from the previous week will be gone over, some old material may be rehashed, questions will be answered, and, on occasion, new material will be presented. To get the most out of the course, attendance and active participation in these discussion sections will be vital.

**Exams:** There will be two midterm examinations and one final. The midterm examinations are scheduled during regular class hours and will cover material covered over the course of the previous 4 to 6 weeks. **The final examination will be cumulative and is scheduled for Sunday December 19 at 7:45 AM.** I will be announcing the location of the final exam near the end of the semester. There will not be any makeup for

the final examination so students with conflicts need to resolve the conflicts or drop the course. In my experience there is always a problem getting students to hand in their exams on time. Students handing their exams in more than 3 minutes past the end of the scheduled exam session will have 3 points deducted from their final score (on the 100 point scale). After the 3 minute mark the penalty will increase by 10-points for each additional minute the exam is late until the 8 minute mark when the exam grade will go to zero.

**Grading:** Weekly homework assignments will count toward 10-percent of your final grade. The remaining 90-percent of your final exam will be calculated in one of the following ways:

- (1) For students whose (curved) final exam score is below the curved scores on each of the two midterms, each exam will count for 30 percent of the grade.
- (2) For all other students the higher of the two midterms will count for 40 percent of the final grade and the final exam will count for the remaining 50 percent of the final grade.

This grading scheme is designed to give students the opportunity to improve on a poor midterm performance and ensure that a fair and consistent policy is applied in the event the students must miss a midterm examination.

### **Tentative Class Schedule (subject to change)**

<b>Dates</b>	<b>Topics(s)</b>	<b>Book Chapters</b>
September 8	Introduction to Economics	
September 13, 15	Basic Tools, Scarcity, Choice, & Gains from Exchange	1-2
September 20, 22	Supply and Demand	3
September 27, 29	Consumer & Producer Surplus	4, 5
October 4, 6	Elasticity & Taxes	6, 7
October 11, 13	Consumer Choice	10, 11
October 18	Firms: Inputs, Outputs, and Costs	12
<b>** MIDTERM #1 Wednesday, October 20, locations TBA</b>		
October 25, 27	Cost, Profit Maximization	12
November 1, 3	Perfect Competition, Monopoly	13, 14
November 8, 10	Monopoly, Monopolistic Competition	14, 16
November 15, 17	Oligopoly, Factor Markets	15, 20
<b>** MIDTERM #2 Monday, November 22, locations TBA</b>		
November 24	Externalities	17
Nov. 29, Dec. 1	Inequality, The Welfare State	19
December 6, 8	Public Goods	18
December 13, 15	Uncertainty, Risk, and Private Information	21
<b>**FINAL EXAM Sunday, December 19, 7:45 AM (Exam Code 60), locations TBA</b>		