

**Economics 100AH: Honors Microeconomics
Spring 2024**

General Information:

Instructor: Dr. Melissa Famulari (mfamulari@ucsd.edu)

Office: Econ 221

Office Hours: Monday, Atkinson Hall 6314, 11:30-12:30.

Class Meeting: Friday in SSB 107 from 11-11:50am.

Final exam: June 14, 11:30-3:30

Objectives of 100AH: First, you will learn some interesting topics in neoclassical micro theory that you did not get in 100A including revealed preference, the “third law of demand,” and the deadweight loss associated with gift giving. Second, you will work on some skills it is hard to give you in large classes such as the working effectively in a group, clearly presenting your ideas to an audience and providing constructive criticism.

Assessment: Your grade will be based on the following three elements:

20% Regular participation in lecture.

If you attend 7 or fewer meetings, participation credit=0.

Conditional on attending 8 meetings, credit based on participation in class (questions, comments, suggestions, presentations).

20% Quality of your contributions to reading the 4 class articles on FeedbackFruits (5% each)

For the first article, I’ve set this up so you must (a) ask one question or make a comment on the article and (b) make one response to another’s question or comment.

We are testing FeedbackFruits for the campus. We will adjust if we see people are not interacting in a useful way. I’ll talk more about my expectations in lecture 1.

40% Quality of your contributions to 2 group presentations (20% each)

I am going to assign you into groups of 4 (so there will be 5 groups in the class). I will let each group pick what articles you want to present.

Each group will read an article together, prepare a presentation together and present to the class together. This will happen twice this quarter for each group.

Groups often don’t work well and typically the issue is free-riding of members.

FeedbackFruits is specifically designed to limit free-riding and encourage good group behavior. Ideal experiment for 100AH—how do we set grading incentives to get the group behaviors we would like?

20% Final exam

Class Schedule:

Weeks 1 and 2: Famulari lectures on revealed preference

- Class discussion on how group work will be assessed.

Week 3:

- Together, using Feedback Fruits, read Borchering, T.E. and Silberberg, E., 1978. Shipping the good apples out: the Alchian and Allen theorem reconsidered. *Journal of Political Economy*, 86(1), pp.131-138. Due Wednesday.
- **Presentation 1:** One group gives 30 minute presentation on the Borchering and Silberberg. Class discussion
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Week 4: In-class Friday: Two group presentations

- **Presentation 2:** Umbeck, J., 1980. Shipping the Good Apples Out: Some Ambiguities in the Interpretation of "Fixed Charge". *Journal of Political Economy*, 88(1), pp.199-208.
- **Presentation 3:** Cowen, T. and Tabarrok, A., 1995. Good grapes and bad lobsters: Applying the Alchian and Allen theorem. *Economic Inquiry*, 33(2), pp.253-256.

Week 5: Two group presentations

- **Presentation 4:** Razzolini, Laura; Shughart, William F. II; Tollison, Robert D. (2003). On the Third Law of Demand. *Economic Inquiry*. 41 (2): 292–298.
(Do not cover the Monopolistic case)
- **Presentation 5:** Bauman, Y., 2004. Shipping the good apples out: a new perspective. *Economic Inquiry*, 42(3), pp.534-536.

Week 6: Famulari presents empirical tests of 3rd law and class discussion.

Staten M, Umbeck J. Shipping the good students out: The effect of a fixed charge on student enrollments. *The Journal of Economic Education*. 1989 Apr 1;20(2):165-71.

Bertonazzi, E.P., Maloney, M.T. and McCormick, R.E., 1993. Some evidence on the Alchian and Allen theorem: the third law of demand?. *Economic Inquiry*, 31(3), pp.383-393.

Thorton, Mark, 1998. The Potency of Illegal Drugs. *Journal of Drug Issues*, 28(3), pp. 725-740

Hummels, D. and Skiba, A., 2004. Shipping the good apples out? An empirical confirmation of the Alchian-Allen conjecture. *Journal of political Economy*, 112(6), pp.1384-1402.

Week 7:

- Together, using Feedback Fruits, read Waldfogel, Joel, "The Deadweight Loss of Christmas." *American Economic Review*, December 1993: 1328-1336 ([JSTOR](#))
- **Presentation 6:** 30 minute presentation on this paper and class discussion

Week 8: Two group presentations

- **Presentation 7:** Solnick, S.J. and Hemenway, D., 1996. The deadweight loss of Christmas: comment. *The American Economic Review*, 86(5), pp.1299-1305.
- **Presentation 8:** Waldfogel, J., 1998. The deadweight loss of Christmas: reply. *The American Economic Review*, 88(5), pp.1358-1360.

Week 9: Two group presentations

- **Presentation 9:** List, J.A. and Shogren, J.F., 1998. The deadweight loss of Christmas: comment. *The American Economic Review*, 88(5), pp.1350-1355.
- **Presentation 10:** Ruffle, B.J. and Tykocinski, O., 2000. The deadweight loss of Christmas: comment. *American Economic Review*, 91(1), pp.319-324.

Week 10: Class picks one of the below and we will read together using Feedback Fruits.

- Jensen, Robert T. and Nolan H. Miller, “Giffen Behavior and Subsistence Consumption” *American Economic Review*, 2008, 98:4, p. 1553-1577. Due Wednesday.
- Andreoni, James and John Miller, “Giving According to GARP: An Experimental Test of the Consistency of Preferences for Altruism” *Econometrica*, March 2002, p. 737-753,
- Hausman, J., 2003. Sources of bias and solutions to bias in the consumer price index. *Journal of Economic Perspectives*, 17(1), pp.23-44.
- Minagawa, J. and Upmann, T. (2015), The generalized Alchian-Allen Theorem: A Slutsky Equation for Relative Demand. **Economic Inquiry**, 53: 1893-1907.

Presentation should last approximately 20 minutes, and your goal is to explain to the rest of us the following things:

1. What is the basic idea of the paper?
2. How does the paper go about pursuing the idea?
3. What did you learn from the paper?
4. Any other thoughts or opinions you have about the paper or topic.