

Econ 2
Applied Microeconomics
FALL 2004

Maria Teresa Candido, PhD Office: Economics 110A
Class Meets : M W F 2:00 – 2:50 Phone #: 534-2518
Office Hours: M Tu 12:30 – 1:50 E-mail: mcandido@weber.ucsd.edu

Michael Yang Office: Sequoia Hall 238
Office Hours: Th 9:30 – 11:30 E-mail: mstyang@ucsd.edu

Course Description

This course uses basic economic principles and simple analytical tools to the study of public policy issues and current events. After reviewing how things work on an idealized perfectly competitive economy, we study what happens when firms and people interact in imperfect markets. Issues such as monopoly power, the presence of externalities, public goods, and imperfect information are analyzed. Simple economic principles are applied to the study of labor markets and income disparity, and we explore the economics of health care and environmental and safety regulation. The last application will be on the effects of international trade and we will briefly look at exchange rate markets.

Course Materials

Required Textbook: “Principles of Economics” by Robert H. Frank and Ben S. Bernanke, Second Edition, McGraw-Hill.

Chapters Covered: 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 29 (pages 779-793 only).

Study Guide for use with the textbook is recommended.

Textbook Website: McGraw-Hill has set up a web page for the book at <http://www.mhhe.com/economics/frankbernanke2>

My Expectations

1. Regular Class Attendance – You should come to every class. If you should miss a class, it is your responsibility to get lecture notes or any possible handout or problem assignment.

2. Come to class prepared – You should review your notes from last class and you should read the assigned sections of the textbook prior to each class.

3. Do your homework – Homework is assigned to assist you in studying. Even if homework is not to be turned in, you should do any assigned problems prior to each class.

Do Not Get Behind!

Grading

20% Homework Assignments

30% Midterm Exam

10% Essay/Study Question

40% Final Exam

The assigned homework should help you know whether or not you understand the material.

The midterm exam is scheduled to October 29th, 2004.

The final exam will be cumulative. The questions asked on exams will be based on textbook reading, lectures and assigned problems.

There are no make-up exams.

Course Web Page

A course web page is available at Michael Yang's webpage:

http://econ.ucsd.edu/~htyang/teaching_fall04.htm

It includes information relevant to the course, such as announcements, problem sets, answers to assigned problems, solutions to exams, syllabus, schedule and more.

TeachingAssistant

Michael will be available during his office hours and he will hold review sessions before the midterm and final exams. The scheduled weekly review section will be held every Wednesday from 3:00 to 3:50 pm at the Peterson Hall 104.

Tentative Schedule

Date	Lectures	Topic	Chapters
09/24	1	Class Introduction	-
09/27~10/01	3	Efficiency and Exchange	7
10/04	1	The Quest for Profit and the Invisible Hand	8
10/06~10/13	4	Monopoly and Other Forms of Imperfect Competition	9
10/15~10/20	3	Externalities and Property Rights	11
10/22~10/27	3	Public Goods and Tax Policy	15
10/29	1	Midterm	-
11/01~11/03	2	The Economics of Information	12
11/05~11/10	3	Labor Markets, Poverty and Income Distribution	13
11/12~11/17	3	The Environment, Health, and Safety	14
11/19~11/22	2	International Trade and Trade Policy	16
11/24	1	Exchange Rates	29
11/29~12/03	3	Thinking Strategically	10