

Econ 1: Elements of Economics – Microeconomics

Department of Economics
University of California, San Diego
Fall 2005

TIME: MWF 11:00 - 11:50 am

PLACE: CSB002

INSTRUCTOR: Yin-Feng Gau

EMAIL: ygau@ucsd.edu

OFFICE HOURS: Friday 3:10 - 5:10 pm in ECON 111 or by appointment

CLASS WEB PAGE: <http://econ.ucsd.edu/~ygau/econ1.htm>

TEACHING ASSISTANTS:

Discussion Section C01: Jessica Lee (jyl001@ucsd.edu)

Discussion Section C02: Christopher Wonnell (cwonnell@ucsd.edu)

TEXTBOOK:

Frank, Robert H. and Bernanke, Ben. S. (2004), Principles of Economics, 2nd ed., McGraw Hill-Irwin.

COURSE DESCRIPTION:

This course is the first course of the sequence of the Elements of Economics. Econ 1 introduces the foundations of microeconomics analysis. The course will focus on the study of the economic system from the micro or individual decision maker's perspective. We will discuss the analysis of demand, supply, and market equilibrium. After having done this, we will examine the allocation of resources and distribution of income in perfectly competitive markets.

REQUIREMENTS:

Grades will be based on five problem sets, two midterm exams, and a final exam, with weights as follows: 20% on each midterm exam, 40% on the final

exam, and 20% on problem sets. The problem sets will be posted on the class web page.

Students who show up more than 20 minutes late for a midterm or final exam will not be allowed to take the exam.

Problem sets are to be turned in to your TA at the beginning of your discussion section meeting according to the schedule given below. NO late problem set is accepted.

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|-----------------|--------------------------|
| Problem set # 1 | Fri Sep 30 or Mon Oct 3 |
| Problem set # 2 | Fri Oct 7 or Mon Oct 10 |
| Problem set # 3 | Fri Oct 21 or Mon Oct 24 |
| Problem set # 4 | Fri Nov 4 or Mon Nov 7 |
| Problem set # 5 | Fri Nov 18 or Mon Nov 21 |

GRADING/REGRADING POLICIES:

- No late homework will be accepted.
- No makeup exams will be scheduled except in case of emergencies. (Students can take the makeup exam only after showing proof of conflict due to other class timings.) If you miss an exam and do not have an acceptable excuse, you will receive a ZERO for that exam.
- Any dispute arising in grading of homework and exams should be submitted in writing to the TA.
- All letters pertaining to disputed should clearly state the Question(s) where they are disputes and also state the reason for such a dispute.
- There is one week time limit for submission of disputes for both midterm exams and homework. The one week limit starts from the day the homeworks/exams have been handed out in discussion session. In the event of your failure to be present in the class when exams/homeworks are handed out, it is the student's responsibility to collect exams/homeworks.
- For the final exam each student is given two weeks from the announcement of grades. After one week from the day of final exam, I will post

the scores/grades on my office's door. NOTE: No requests of regrading will be entertained after the two week deadline has passed.

- All of the homework assignments will be graded by the TA. Graded homework will usually be returned one week after the due date.
- Each homework assignment is worth 2 points and grading is as follows. 2 points if all of the problems have been attempted AND if all work has been shown, 1 point if only some of the problems have been attempted OR if work has not been shown, and 0 point if the assignment is not handed in or is late.
- Note that your homework grade does not depend on whether you get the correct answer, but rather on whether you have made a full faith effort to complete the assignment. Correct answers are important, but the goal of these homework assignments is to give you practice at solving the types of problems that you will see on exams.

GUIDELINES FOR EXAMS:

- The final exam is cumulative.
- All students must use a pen to write the midterm and final exams. Using pencil voids the student's right to request a regrading of the exam.
- The exams will be closed book exams.

NOTES:

- The only excuses for missing an exam are: a serious illness or a major family crisis. You must provide proof in the form of an official document. A note from a family member is not sufficient.
- The purpose of an office hour is to discuss either major projects or concepts presented in class or major projects. Therefore, to work exercise problems, please consult the teaching assistant. If you want to discuss a grade, please do so in writing (see Regrading Policy), on paper or via e-mail.

LECTURE SCHEDULE:

The following is a tentative schedule of which sections will be covered and when. It may be modified as we go along.

| Dates | Topics and Readings |
|---|--|
| Fri Sep 23 | Thinking Like an Economist (Chapter 1) |
| Mon Sep 26 | Opportunity Cost and Comparative Advantage (Chapter 2, pp. 33-39) |
| Wed Sep 28 | Production Possibility Curve (Chapter 2, pp. 39-51) |
| Fri Sep 30 | Demand (Chapter 3, pp. 57-61) |
| Mon Oct 3 | Supply (Chapter 3, pp. 62-63) |
| Wed Oct 5 | Equilibrium (Chapter 3, pp. 64-70) |
| Fri Oct 7 | Shifts in Demand and Supply (Chapter 3, pp. 71-82) |
| Mon Oct 10 | Price Elasticity of Demand (Chapter 4, pp. 91-101) |
| Wed Oct 12 | Income Elasticity and Cross-Price Elasticity of Demand, Price Elasticity of Supply (Chapter 4, pp. 102-113) |
| Fri Oct 14 | FIRST MIDTERM EXAM |
| Mon Oct 17 | Consumers' Utility and Demand (I) (Chapter 5, pp. 117-123) |
| Wed Oct 19 | Consumers' Utility and Demand (II) (Chapter 5, pp. 124-133) |
| Fri Oct 21 | Consumer Surplus (Chapter 5, pp. 134-136) |
| Mon Oct 24 | Indifference Curve (I) (Additional readings on the website) |
| Wed Oct 26 | Indifference Curve (II) |
| Fri Oct 28 | Indifference Curve (III) |
| Mon Oct 31 | Production Cost (Chapter 6, pp. 141-145) |
| Wed Nov 2 | Perfectly Competitive Market (Chapter 6, pp. 145-155) |
| Fri Nov 4 | Determinants of Supply (Chapter 6, pp. 156-161) |
| Mon Nov 7 | Market Equilibrium and Efficiency (Chapter 7, pp. 167-171) |
| Wed Nov 9 | SECOND MIDTERM EXAM |
| Fri Nov 11 | Cost of Preventing Price Adjustments (I) (Chapter 7, pp. 172-176) |
| Mon Nov 14 | Cost of Preventing Price Adjustments (I) (Chapter 7, pp. 177-181) |
| Wed Nov 16 | Taxes and Efficiency (Chapter 7, pp. 182-187) |
| Fri Nov 18 | Economic Profit (Chapter 8, pp. 193-197) |
| Mon Nov 21 | Invisible Hand Theory (Chapter 8, pp. 197-203) |
| Wed Nov 23 | Perfectly Competitive Market (Chapter 8, pp. 204-206) |
| Fri Nov 25 | HOLIDAY: THANKSGIVING DAY |
| Mon Nov 28 | Invisible Hand in Action (Chapter 8, pp. 207-212) |
| Wed Nov 30 | Equilibrium versus Social Optimum (Chapter 8, pp. 213-215) |
| Fri Dec 2 | Review |
| FINAL EXAM, Monday, December 5, 11:30 a.m. - 2:30 p.m | |