

Economics 2 - Market Imperfections & Policy

Fall 2009

Mon, Wed, Fri 1:00 - 1:50 pm, Peterson Hall 110

Instructor:

Maria Teresa Cândido

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Teaching Assistants

Troy Kravitz
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Tue 2:00 - 2:50 pm

Thu 10:00 – 11:30 am

Aeimit Lakdawala
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Thu 2:00 – 3:30 pm

Jaime Thomas
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Wed 3:00 - 3:50 pm

Tue 9:00- 10:30 am

Jim Kwong
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Thu 2:00 - 2:50 pm

Tue 1:30 - 3:00 pm

Li Zhou
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Wed 3:00 - 3:50 pm

Mon 9:00 - 10:30

Course Description

This course applies 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, the course looks at the effects of firms and people interacting in imperfect markets. Issues such as monopoly power, the presence of externalities, public goods, game theory, 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.

Course Materials

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

There is a UCSD custom version of this textbook available at the UCSD Bookstore. The UCSD custom is identical to the 4th edition in every way except that it has the indifference curve appendix added, has a different cover, and is cheaper.

Chapters: 7 (review), 9, 10, 11, 12, 13, 14, and 15.

Aplia Website: During this course, to complete your homework assignments, you will be required to access a website called Aplia. To access the website, you need to register for an account with Aplia at <http://www.aplia.com>. You should do this as soon as possible, as homework will soon be due. If you think you might drop the course, go ahead and register with Aplia anyway, since there is a 21-day grace period before you have to pay. In the last page of this syllabus, you will find an instruction sheet as well as a course key so that you can register with Aplia.

Course Webpage: We will use the Aplia website as our course webpage. The course webpage will contain information relevant to the course, such as homework assignments, detailed information on assignment due dates, extra practice problem sets, announcements, solutions to problem sets and exams, syllabus, and more. Please check this page regularly.

Add/Drop Policy

The instructor will not sign add cards. For any question regarding waitlist procedures, please check Triton Link or go to the Economics Student Services in Sequoiah Hall 245.

My Expectations

1. It is important to come to every lecture. If you should miss a class, it is your responsibility to get the notes and any information provided in class. There are weekly discussion sections for this course. They are not mandatory. However, you should attend them since the TAs will go over practice problems, the kind of problems you may encounter on exams. Discussion sessions start the week of September 28th.
2. You are expected to keep up with the required reading on your own.
3. Complete all your homework assignments. Remember, homework is assigned to assist you in studying, and a way for you to check if you understand the material.

Grading

Homework Assignments

2 Midterm Exams

Final Exam

Homework: All homework assignments are worth the same, regardless of the number of questions in them. The normalized score for each assignment is the percentage of correct answers. The homework grade is computed by taking an average of the (normalized) scores of assignments, after dropping the **four** lowest scores. Participation in class experiments is also considered a homework assignment.

Tests: The midterm exams are scheduled to **Monday, October 19th**, and **Monday, November 16th**, at lecture time. The final exam will take place on **Monday, December 7th** from 11:30 pm to 2:30 pm and will be cumulative. The questions asked on exams will be based on lectures, textbook reading and assigned or practice problems.

We will calculate for each student one point total that puts a weight of 20% on homework assignments, 25% on first midterm exam, 25% on second midterm exam, and 30% on final. We will then calculate a second point total that puts a weight of 20% on homework assignments, 25% on the best of the two midterm exams and 55% on the final. Student's grade will be based on the higher of the two numbers. The overall course grade will be curved. In general, the class average corresponds to the lowest B-. The dates for the exams are not negotiable. There are no make-up exams - a missed midterm exam automatically commits a student to the second grading option.

Tentative Schedule (exams dates will not change)

Date	Number of Lectures	Topic	Textbook Chapters
Sept 25 th	1	Class Introduction	-
Sept 28 th – Sept 30 th	2	Efficiency and Exchange (Review)	7
Oct 2 nd – Oct 12 th	5	Monopoly, Oligopoly, and Monopolistic Competition	9
Oct 14 th – Oct 16 th	2	Externalities and Property Rights	11
Oct 19th	1	First Midterm	
Oct 21 st – Oct 26 th	3	Externalities and Property Rights	11
Oct 28 th – Oct 30 th	2	Public Goods and Tax Policy	15
Nov 2 nd – Nov 6 th	3	Games and Strategic Behavior	10
Nov 9 th – Nov 13 th	2	The Economics of Information	12
Nov 16th	1	Second Midterm	-
Nov 18 th	1	The Economics of Information	12
Nov 20 th – Nov 30 th	4	Labor Markets, Poverty and Income Distribution	13
Dec 2 nd – Dec 4 th	2	The Environment, Health, and Safety	14
Dec 7th 11:30 am - 2:30 pm	-	Final Exam	-



Student Registration and Payment Instructions

Course Name: Econ 2, Fall 2009

Start Date: 09/24/2009

Instructor: Maria Teresa Candido

Course Key: S8N8-US2D-NNJH

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.

Registration

If you have never used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Click the New Student link and enter your Course Key: **S8N8-US2D-NNJH**. Continue following the instructions to complete your registration.

If you have used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: **S8N8-US2D-NNJH**. If you are not prompted for a new Course Key, click the Enter Course Key button to enroll in a new Aplia course. Enter your Course Key when you are prompted.

** You will have different payment options after you register for your course. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 10/14/2009.*

Payment

Aplia Access

- **From Aplia:** Purchase access to your course from Aplia's website for \$28.00 USD.