



DEPARTMENT OF ECONOMICS

**ECON 2: MARKET IMPERFECTIONS AND POLICY
SEQUO 148, MONDAYS & WEDNESDAYS, 8:00PM-10:50PM
DISCUSSION SECTION: TUESDAYS, 12:00PM-1:50PM**

**SUMMER SESSION II 2012
SYLLABUS**

Instructor: Steven B. Levkoff, Ph.D.

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Course Webpage: <http://ted.ucsd.edu>

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Office Hours: Mondays & Wednesdays, 11:00pm-12:00pm, open door, and by appointment

Teaching Assistant: Anh Pham (atp003@ucsd.edu)

Course Description: This course is a continuation of ECON 1, the first course in the principles of microeconomics sequence. Emphasis will be placed on the role of government policy and market failure. Topics include market power, externalities & public goods, information economics, environmental economics, poverty, labor markets, and health care.

Readings:

Required:

- [1] Principles of Economics, by Frank and Bernanke, 5th Edition.

Prerequisites: In order to be enrolled in this course, you should have satisfactorily completed ECON 1.

Homework: While not a formal part of the course grade, problem sets will play a crucial role in developing your problem solving skills and should be taken very seriously. In the past, it has been the case that the students that put the most effort into the problem sets tend to do the best on the exams. Problem sets will be assigned regularly via TED. You are encouraged to work together to solve problem sets, but the solutions you submit should be solely your own. **IT IS YOUR RESPONSIBILITY TO MAKE SURE YOU ARE ENROLLED IN THE ONLINE COURSE AND ROUTINELY CHECK THE**

COURSE WEBPAGE AND YOUR EMAIL FOR ANNOUNCEMENTS AND TO ACCESS DISTRIBUTED MATERIALS.

Examinations: There will be a midterm and a final examination. The registrar has scheduled the final exam for Friday, 9/7/12, from 8:00am-11:00am. The midterm will be tentatively scheduled for sometime during the middle of the course. All exams are cumulative.

Grading:	Midterm Exam	40%
	Final Exam	60%
	Total	100%

Absences & Attendance: Any exam or quiz missed for a legitimate reason may be made up at the discretion of the instructor (this may include an oral evaluation as an alternative to taking a written exam). You will receive a zero on any exam or quiz missed without a legitimate reason. If the instructor feels that attendance is slipping, he reserves the right to take attendance and give pop quizzes to be used in the determination of the course grade.

Classroom Decorum & Email: To avoid distracting others in the classroom, please arrive on time and do not leave early unless given prior permission. When class is in session, please respect others in the room and refrain from sending or receiving phone calls, pages, or text messages. Please be sure audible signals are turned off before class begins. Please restrict the use of email to the minimally necessary volume and put your full name at the end of email messages and the course name and number in the subject heading.

Statement of Academic Integrity: Academic Integrity relates to being honest in the completion of your academic coursework. Trust is the central principle underlying academic integrity. [The University] needs to trust that ideas are your own. This means that all your work should come solely from your effort. For example, you need to complete your tests without external assistance. In addition, you may not present another student's work as your own. Moreover, you should not plagiarize, which is non-credited use of someone else's words or ideas. Overall, then, academic integrity means that [The University's] students will display honest scholarship.

Tentative Schedule of Topics (Subject to Change):

Part I: Review of ECON 1 Material

Lecture 1: Efficiency and Exchange
Readings: [1] Chapter 7

Part II: Market Imperfections

Lecture 2: The Perfect Competition – Monopoly Spectrum

Readings: [1] Chapter 8
Lecture 3: Monopoly and Price Discrimination
Readings: [1] Chapter 8
Lecture 4: Introduction to Game Theory and Strategic Interaction
Readings: [1] Chapter 9
Lecture 5: Game Theory and Oligopoly
Readings: [1] Chapters 8-9
Lecture 6: Midterm Exam / Externalities and Property Rights
Readings: [1] Chapter 10
Lecture 7: Public Goods and Tax Policy
Readings [1] Chapter 14
Lecture 8: Information Economics
Readings: [1] Chapter 11

Part III: Topics in Public Policy

Lecture 9: Labor Markets, Poverty, and the Distribution of Welfare
Readings: [1] Chapter 12
Lecture 10: The Environment and Health Care
Readings: [1] Chapter 13