

**ECON2**  
**Elements of Economics II**  
- Topics in Applied Microeconomics -  
SPRING 2005

**Instructor:** Dr. Kazuki Onji

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**Class Web Page:** <http://www.econ.ucsd.edu/~konji/econ2/>

**Class Time and Location:** Mon, Wed, Fri 12:00 - 12:50, Warren Lecture Hall (WLH) 2205.

**Office Hours:** Tue 1:00-2:30pm or by appointment.

**Teaching Assistant:** Eric Giambattista, email: [egiambat@ucsd.edu](mailto:egiambat@ucsd.edu), Office Hours TBA.

**Description:** This course continues with an introduction to microeconomics - a study of how consumers and firms make decisions and of the results of their choices on the society. The focus is on the decisions made in the markets plagued by a variety of imperfections, and we will study the government programs that deals with market imperfections. The objective of the course is to make you acquainted with the economic analysis of social issues, including imperfect competitions, income inequality, environmental pollution, health care, and taxation.

**Prerequisites:** ECON1A or ECON1.

**Textbook:** Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, 2nd Edition, 2004.

**Course Readings:** We will be covering Chapter 7, 9 - 15, 29 (pp 779-793). The reading assignments for each lecture are outlined in the class schedule below. You are encouraged to read ahead of the lecture. You will be responsible for all materials in each chapter.

**Grading:** We will calculate for each student one point total that puts a weight of 25% on first exam, 25% on second exam, and 50% on final. We will then calculate a second point total that puts a weight of 25% on the best of the first two exams and 75% on the final. Student's grade will be based on the higher of the two numbers. There are no make-up exams—a missed exam automatically commits a student to the second option.

**Exams:** **The First Midterm will be on Wed. April 26** (in class). **The Second Midterm will be on Wed. May 24** (in class). You may bring a non-programmable calculator to the exams (scientific or business calculators are not permitted), and no blue book is needed. **No make-up exams will be given.**

**Homework and Discussion Sections:** It is essential for you to scratch your head over many questions to learn well the new economic concepts you see in the lectures and read in the text. Practice homework gives you this opportunity. You are strongly encouraged to do the homework on your own before attending sections. Discussion sections give you a chance to confirm your answer.

**Tentative Class Schedule:** (exam dates are fixed):

<b>Week</b>		<b>Topic</b>	<b>Reading Assignment</b>
Week 1	Mon	Efficiency and Exchange (review from Econ I)	Chapter 7
	Wed	(continued)	Chapter 7
	Fri	Monopoly and Other Forms of Imperfect Competition	Chapter 7, 9
Week 2	Mon	(continued)	Chapter 9
	Wed	(continued)	Chapter 9
	Fri	(continued)	Chapter 9
Week 3	Mon	Thinking Strategically	Chapter 10
	Wed	(continued)	Chapter 10
	Fri	(continued)	Chapter 10
Week 4	Mon	Review section	practice problems
	Wed	<b>First Midterm (April 26)</b>	
	Fri	Externalities and Property Rights	Chapter 11
Week 5	Mon	(continued)	Chapter 11
	Wed	(continued)	Chapter 11
	Fri	The Economics of Information	Chapter 12
Week 6	Mon	(continued)	Chapter 12
	Wed	(continued)	Chapter 12
	Fri	Labor Markets, Poverty, and Income Distribution	Chapter 13
Week 7	Mon	(continued)	Chapter 13
	Wed	(continued)	Chapter 13
	Fri	The Environment, Health, and Safety	Chapter 14
Week 8	Mon	Review section	practice problems
	Wed	<b>Second Midterm (May 24)</b>	
	Fri	The Environment, Health, and Safety	Chapter 14
Week 9	Mon	(continued)	Chapter 14
	Wed	Public Goods and Tax Policy	Chapter 15
	Fri	(continued)	Chapter 15
Week 10	Mon	(continued)	Chapter 15
	Wed	Exchange Rates and the Open Economy	Chapter 29 (first half only)
	Fri	(continued)	Chapter 29 (pp. 779-793)