

Econ 2 – Market Imperfections and Policy

Lecture: MWF 4-4:50pm in Center Hall 119

Course Website: ted.ucsd.edu

Course email address: Econ2spring2012@gmail.com

Instructor: John McAdams (jmcadams@ucsd.edu -- Please include "Econ 2" in the subject)
Office hours: Wed and Fri 3-3:50pm in Sequoyah 226

TAs: Richard Brady (rlbrady@ucsd.edu)
Office hours: Wed, 1-2pm in Econ 124

Martha Gimbel (mgimbel@ucsd.edu)
Office hours: Thurs, 11am-12 in Econ 117 [Weeks 1-5]

Marina Kuttyavina (mkutyavi@ucsd.edu)
Office hours: Tues, 2-3pm in Sequoyah 238

Erik Lilethun (elilleth@ucsd.edu)
Office hours: Mon, 12-1pm in Econ 112 [Weeks 6-10]

Course overview: This course is a continuation of Econ 1. We will study some extensions of the material seen there, as well as new topics. The course covers Chapters 9-15 in the Frank and Bernanke textbook, including market structure (monopoly, oligopoly), taxes and subsidies, strategic behavior, information, externalities, the labor market, the environment, health, and public goods. Although the topics may seem disparate, you will learn throughout the course the way in which economics provides a unified framework for understanding each topic.

Prerequisites: Econ 1 (Principles of Microeconomics).

Textbook: Robert H. Frank and Ben S. Bernanke, *Principles of Economics (4e)*, 2009, McGraw-Hill Irwin, UCSD Custom Edition. You are welcome to use an older or non-UCSD edition of the book, but you are responsible for any differences between the editions.

Course website: Students are responsible for checking the course website regularly for announcements and course materials.

Adds/drops/waitlists: Please see the Undergraduate Advising Office in Sequoyah Rm. 245.

Discussion section: The weekly discussion sections are devoted to going over the assigned problem sets, practice midterm and final exams, and any other questions you may have about course material. Attendance is optional but highly recommended.

Problem Sets: There will be regular problem sets. Completing them is optional but highly recommended. You are encouraged to work in groups. The TAs will review solutions to the problem sets during weekly section.

Grading: There will be two midterm exams and one final exam. The final grade will be a weighted average of your score on the **midterm 1 (30%)**, **midterm 2 (30%)**, and the **final exam (40%)**. The final exam will be cumulative.

No make-up exams will be given. If you miss one of the midterm exams with a verifiable medical or university-sanctioned excuse, the entire weight of that midterm will be put on the final exam. In addition, you must let the instructor know *before the exam*, if the excuse is foreseeable, or *within a day* of the exam, if the excuse is not foreseeable. If you do not have a valid excuse, you will receive a score of zero on that exam.

Re-grade requests must be submitted in writing to one of the TAs within **one week** of the exam being handed back. You must include a written statement as to which questions you would like to be re-graded and why. We reserve the right to re-grade the entire exam. Re-grade requests for exams written in pencil will not be entertained.

Academic Code of Honor: The class is conducted in accordance with the University of California, San Diego's Policy on Integrity of Scholarship. All work on the examinations is to be the work of the individual student. Students found in violation of University policy will receive a failing grade for the course along with a referral to the Academic Integrity Office for further disciplinary action.

Disabilities: Students with disabilities will be accommodated in accordance with University policy. Please see the Undergraduate Economics Advising Office in Sequoyah Hall, Rm. 245, with any questions or for more information. Please let the instructor know about any special accommodations necessary several days in advance of the exams.

Class Schedule

Midterm Exam 1: Monday, April 23rd

Midterm Exam 2: Monday, May 21st

Final Exam: Thursday, June 14th, 3-6pm

The timing of topics is tentative, but the dates of the exams are fixed. We will cover roughly one chapter per week. Students are encouraged to read the relevant chapters from the book before we cover them in class.

Week 1: Introduction and Review (Chapter 7 – Efficiency and Exchange)
Monopoly, Oligopoly, and Monopolistic Competition (Chapter 9)

Week 2: Monopoly, Oligopoly, and Monopolistic Competition (Chapter 9)

Week 3: Games and Strategic Behavior (Chapter 10)

Week 4: **Midterm Exam #1 (04/23/12)**
Externalities and Property Rights (Chapter 11)

Week 5: Externalities and Property Rights (Chapter 11)

Week 6: Economics of Information (Chapter 12)

Week 7: Labor Markets, Poverty, and Income Distribution (Chapter 13)

Week 8: **Midterm Exam #2 (05/21/12)**
The Environment, Health, and Safety (Chapter 14)

Week 9: Memorial Day (05/28/12) -- **No class**
The Environment, Health, and Safety (Chapter 14)

Week 10: Public Goods and Tax Policy (Chapter 15)

Exam week: **Final Exam (06/14/12)**