

ECONOMICS 100A: Microeconomics A

Winter 2011

Lectures: MWF 12:00 – 12:50pm: Peter 110

Prof: Herb Newhouse

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Office Hours: Thursday 10:00 – 11:30 am

Office: Econ 108

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TAs (Office hours: TBA)

Andrew Brownback (abrownback@ucsd.edu)

Robert Mackay (rmackay@ucsd.edu)

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Discussion Sections

Friday 9 – 9:50am in Centr 222

Friday 1 – 1:50pm in Centr 222

Wednesday 3 – 3:50 pm in WLH 2111

Monday 5 – 5:50 pm in Peter 103

This course is the first of three courses in microeconomics. We will learn how to set up, solve and analyze optimization models and apply these mathematical models to the theory of the consumer. Applications include commodity demand, labor supply and consumption/savings decisions. Finally we will examine the fundamentals of decision making under risk and uncertainty.

Prerequisites: ECON 1 or ECON 1A; and MATH 10C or MATH 20C.

Lectures and Discussion Sessions:

You are responsible for all the material in the lectures and problem sets. Partial notes will be available on the class webpage before each lecture. I recommend that you print these out beforehand and fill in the missing information. I'll do my best to avoid typos but you're responsible for the correct material. I want you to understand the material instead of simply memorizing it. If you miss a lecture, borrow someone's notes. Discussion Sessions are optional but recommended.

Problem Sets:

Problem sets will be available online. We will go over these questions in office hours and in the discussion sessions. Your best practice for the exams is to try these questions yourself first.

Exams:

Your grade will be determined on the basis of two Midterm Exams (25% each) and the Final Exam (50%). Alternatively your lower midterm will count for 15%; your higher midterm will count for 25% and your final will count for 60%. The method of weighting results in the highest grade will automatically be chosen at the end of the quarter.

Midterm 1 will be held in class on Monday, January 24th. Midterm 2 will be held in class on Wednesday, February 16th. The final exam will be held on Wednesday, March 16th from 11:30am – 2:30pm. If you know in advance that you cannot make an exam, please let me know as soon as possible.

You must get the instructor's permission (in advance if possible) if you miss a midterm. If you miss a midterm for an approved reason the weight for that exam will be placed on the final. If you miss the final exam for a documented, university approved reason (ie., illness, official university trip), you will receive an Incomplete for the class and will need to make-up the exam during the following quarter. If you miss the final exam for another reason (ie., oversleep) you will receive a zero for the exam. No one will be allowed to start an exam after the first person leaves it.

You are only permitted to use pens and pencils, a calculator, a straight edge and a note card during the exams. The note card can be any size up to 8.5" by 5.5" for the midterms and up to 8.5" by 11" for the final. It may **only** have handwritten notes on both sides. Typed or mechanically reproduced notes are not permitted. Do **not** attach anything to your note card in any way. You **cannot** sit next to anyone you studied with during an exam.

Academic dishonesty:

I take academic dishonesty seriously. Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition to this sanction, the Council of Deans of Student Affairs will also impose a disciplinary penalty. For a review of UCSD policy, please see <http://www-senate.ucsd.edu/manual/appendices/app2.htm>.

Regrade requests:

Regrade requests must be made through a written statement **before** the start of class one week after the exam was first passed back. This deadline is firm! Extensions will only be permitted if you have a documented, university approved reason for missing the entire week after the exam was first passed back. If you request a regrade I may regrade your entire exam and your score could go up, down or stay the same.

Text:

Perloff (2008), *Microeconomic Theory and Applications with Calculus*, Pearson/Addison-Wesley. I will give references for this text. You can use either the custom UCSD version or the standard version. The material for this course is fairly standard; other Microeconomic Theory books are probably fine. There is a free textbook you can access online, McAfee and Lewis, *Introduction to Economic Analysis*, <http://www.introecon.com/>. I have not looked through this text carefully but have read that its level is in between Econ 1 and Econ 100A.

Preliminary Course Outline:

1. Introduction/Math Review (Ch 1 & 2, Calculus Appendix: A.1 – A.3)
2. A Consumer's Constrained Choice (Ch 3)
 - Preferences, Utility, Budget Constraint, Constrained Consumer Choice
3. Demand (Ch 4)
 - Deriving Demand Curves, Effects of an Increase in Income, Effects of a Price Increase
4. Consumer Welfare and Policy Analysis (Ch 5)
 - Consumer Welfare, Expenditure Function and Consumer Welfare, Market Consumer Surplus, Deriving Labor Supply Curves
5. Uncertainty (Ch 16)
 - Degree of Risk, Decision Making Under Uncertainty, Avoiding Risk

Very roughly I'm planning to spend 4 weeks on Consumer's Constrained Choice, 2 weeks on Demand, 2 weeks on Consumer Welfare and 1 week on Uncertainty. All of this is subject to change.

Note: Monday, January 17th is Martin Luther King Day and Monday, February 21st is President's Day. We will not have class on either day.