

Econ 171: Decisions under uncertainty

Christopher P. Chambers

M/W: 5:00-6:20 pm

LEDDN AUD

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Please read this: It answers many questions

This course is devoted to the study of how and how should economic agents make decisions under uncertainty. We talk about the ways that uncertainty can be discussed and represented. The concept of risk plays a fundamental role. If time permits, I would like to cover applications to basic portfolio choice, insurance markets, and the market for lemons (toxic assets).

I like to encourage class participation, but I know this can be daunting for a class of this size (if I could, I myself would teach a class of much smaller size).

TA's:

- Richard Brady
- Adam Greenberg
- Larry Schmidt

Office hours:

My office hours will be 4:00-5:00 Mondays, Econ 328. I encourage you to attend if you have any questions at all about anything related the class, whether logistic or academic. Alternatively, you are always also free to speak to me after class.

TA's office hours are as follows:

- Adam: 4:00-5:00 pm Wednesdays SEQUOYAH 205
- Larry: 4:00-5:00 pm Thursdays ECON 128
- Richard: 2:00-3:00 pm Tuesdays ECON 124

Discussion sessionA weekly discussion session will take place on Tuesday, from 6:30-7:20 pm, in CENTR 113. Attendance is not mandatory.

The following tentative schedule is subject to change:

Course schedule					
Week	Date	Event	Date	Event	Discussion
1	1/7	Lecture	1/9	Lecture	n/a
2	1/14	Lecture	1/16	Lecture	
3	1/21	MLK Day	1/23	MIDTERM 1	
4	1/28	Lecture	1/30	Lecture	
	2/1	<i>Drop date</i>
5	2/4	Lecture	2/6	Lecture	
6	2/11	Lecture	2/13	Lecture	
7	2/18	President's Day	2/20	Lecture	
8	2/25	MIDTERM 2	2/27	Lecture	
9	3/4	Lecture	3/6	Lecture	
	3/8	<i>Drop without F date</i>
10	3/11	Lecture	3/13	Lecture	
	3/18	FINAL EXAM: 7:00-9:59

Text: I will also distribute notes and class slides on “Ted.” I uploaded the files under a tab called “content,” likely you will find them there. It is your responsibility to navigate and make sure you can find those files—if they are not there please let me know. Further you should ensure that you have the latest notes and slides (I will frequently update these). Most of the class will be derived from distributed notes.

Email policy: Please use the class email UCSDECON171@gmail.com for all correspondence. Any emails should be written in coherent English and should address serious questions. Incoherent or disrespectful emails will go unanswered. Questions about logistics discussed either on the syllabus or in class will go unanswered. It is also within my right to deduct points for violation of this policy.

Grades: There will be two midterm exams and one final exam. You will get to drop the lowest grade of the three: your **grade for the class** will therefore be the average of your two highest exam grades.

This means that even if you do poorly on an exam, you can still do well in the class (and you can also do well if you perform poorly on the final). Because of this, I will not allow students to take exams at unscheduled times for any reason not approved (and confirmed to me) by the campus administration.

I will curve the **grades for the class**. This means I cannot tell you what your grade will be until after everybody has completed the final exam. You might ask whether I think you will get an A, or a B midway through the class. My answer will be “It depends on your class performance relative to the rest of the class.” Your grade after the first or second midterm *is not your grade for the class*, which can only be determined after everybody has taken the final exam. You will be graded *relative* to your classmates. If I feel the class has done exceptionally well, I may choose to skew the curve upwards. I really want my students to do well, and nothing would make me happier than if everybody learned from this course. Nevertheless, I can only give good grades if you have demonstrated proficiency in the subject matter.

Please also do not ask me whether you are required to take the final exam. The grading policy is clear from this description and you are free to make any choices you wish as to which exams to take.

In general, I expect disputes regarding grades to be submitted *in writing*.

Prerequisites: (Econ 100A or Econ 170A) and (Econ 120A or ECE 109 or Math 180A or Math 183 or Math 186). In general, I expect you to be familiar with calculus. Though it is not required, Math 20F is *strongly recommended*, although I will do my best to prepare lectures without assuming knowledge of linear algebra.

Administrative Issues: If you have a documented disability, please send an email as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities.

Students found guilty of academic dishonesty will earn a failing grade for the course. In addition, the Council of Deans of Student Affairs will impose a disciplinary penalty.

As noted before, because of the way the final grade is computed, there will be no retakes allowed for midterms. If you arrive late to an exam, I will allow you to take the exam in the time that remains as long as no one has left the room after having either completed or stolen the exam. Once a classmate has turned in his/her exam or stolen the exam, you will earn a zero on the test if you arrive late. I STRONGLY URGE YOU TO COME TO EXAMS ON TIME. I have had to fail students in the past for showing up late—this is not good for the students, and I also do not like to fail students. It is a Pareto improvement for everybody to show up on time.

Because the class has no security guards, it is our joint responsibility to ensure that nobody steals an exam—if you see it happening please let me know right away.

After the University add deadline, students with extraordinary circumstances or with documentation of a university error may petition the Department of Economics to add courses. Extraordinary circumstances do not include: not being added to the course from the waitlist, forgetting to add a course, etc. Students with an extraordinary circumstance may submit a completed petition, with a written explanation (and documentation, if applicable) to Sequoyah Hall room 245.