

ECONOMICS 100A: MICROECONOMICS, Part A

Winter 2014

Professor:

James Andreoni

andreoni@ucsd.edu

Office: Economics 215

Office Hrs: Wednesday 11:00-12:00pm

Lectures, Discussion Sessions, and Teaching Assistants

LECTURE 1 Tue & Thu 8:00- 9:20a CENTER 101

A01	W	1-1:50p	CENTR 109	<i>Grad TA:</i> Kuhn, Michael	mkuhn@ucsd.edu
A02	W	2-2:50p	CENTR 109	<i>Grad TA:</i> Lam, Onyi	onlam@ucsd.edu
A03	W	3:3:50p	CENTR 109	<i>Grad TA:</i> Miyoshi, Yoshiyuki	ymiyoshi@ucsd.edu
				<i>UG TA:</i> Xu, Yuwen	yux003@ucsd.edu

LECTURE 2 Tue & Thu 9:30-10:50a CENTER 101

B01	W	8-8:50a	CENTR 212	<i>Grad TA:</i> Lillethun, Erik	elilleth@ucsd.edu
B02	W	9-9:50a	CENTR 212	<i>Grad TA:</i> Gaastra, Sieuward	sgaastra@ucsd.edu
B03	W	10-10:50a	CENTR 212	<i>Grad TA:</i> Ding, Xuan	x3ding@ucsd.edu
				<i>UG TA:</i> Xie, Victoria	jbigenho@ucsd.edu

Prerequisites: Econ 1 and either Math 10C, 20C, or 21C.

Homework, Sample Exams:

- There will be weekly ungraded homework. These are to be discussed each week in your sections, with your TAs.
- Most lectures will feature a sample exam question on the topic of the lecture.
- Before each exam you will be given a sample exam to use on your own, and which we will go over in the review period before each exam.

Assessments

- **GRADED QUIZZES:** There will be 10 graded quizzes in the course, administered online through TED. See the schedule of lectures for quiz dates, and see the section QUIZZES more about the quizzes.
- **MIDTERM 1, Thursday January 30, in class**
- **MIDTERM 2, Thursday February 27, in class**
- **FINAL EXAM,** as announced in course schedule
- **GRADING:** Each exam is worth 70 points, and each homework is worth 6 points.
 - Exam 1: 70 points (29.1%)
 - Exam 2: 70 points (29.1%)
 - Exam 3: 70 points (29.1%)
 - 10 quizzes, 3 points each: 30 points (12.5%)
 - TOTAL POINTS 240 points

Course Objectives: As the first of the microeconomic sequence, Econ 100A is focused on the most fundamental decision making unit in the economy: The Consumer. You will learn how to turn observations about consumer choice into economic models, and in turn convert these into mathematical expressions of those ideas. The topics include (commodity demand, labor supply, borrowing and savings, and the fundamentals of decision making under risk.

Course Materials:

Required Textbook and Reading:

Perloff, Jeffrey M. (2014) *Microeconomics: Theory and Applications with Calculus* (3rd edition)
Pearson/Addison-Wesley.

Machina, Mark (2006) “Math Handout” posted to the WebCT site

Additional Readings: There are many textbooks you can use to supplement Perloff. Other calculus-based intermediate textbooks include Walter Nicholson’s, *Microeconomic Theory*, Hal R. Varian’s, *Intermediate Microeconomics* and Binger and Hoffman’s, *Microeconomics with Calculus*. You can get an e-book version of Varian’s text for half price at www.nortonebooks.com

One free option is an online introductory textbook written by Preston McAfee of Caltech <http://www.introecon.com/>. The level of this book is between Econ 1 and Econ 100A. It is very interesting, free, and you may find it useful

Mathematics Tutorial for Economists: Written by Martin Osborne at the University of Toronto <http://www.economics.utoronto.ca/osborne/MathTutorial/index.html>, Chapters 1-6 of this will help you review the calculus tools that you learned in Math 10ABC or 20ABC that are the most important for this course.

TED: This is where you access the syllabus, class handouts, homework assignments, and Quizzes.

Weekly Homework: It is tremendously important that you keep up with the course, and that you practice solving economic problems. Each week there will be online homework through. It will be your responsibility to do the homework, which will be discussed in your sections.

Discussion Sessions: These sessions will be conducted by the TAs. Please go to one the TA sections for you are registered for.

Administrative Issues:

- (1) If you have a documented disability, please bring your documentation and come to talk to me 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, Building 202 University Center as soon as possible. For information on the steps for academic accommodation, please see <http://www-senate.ucsd.edu/manual/appendices/app3.htm>.
- (2) Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition to this academic sanction that I will impose, 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>.
- (3) You will only need a pen or pencil for exams. Exams are closed book and you may not use notes. Exams are completely electronic-free: no calculators, headphones, cell phones, etc. are to be used during an exam.
- (4) 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 turned in his/ her exam and left the room*. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.
- (5) If there is a mistake adding up the points on your exam, then bring it to my attention within one week of the exam being returned and I will correct it. If you believe an exam has not been graded properly, you may request a regrade within one week of the exam being returned. I will regrade your entire exam. The regarded score will be your grade for the exam. You may not ask for another regrade or go back to your first grade.
- (6) UCSD now has automated waitlists. If you have any questions regarding adding the class, please refer to Triton Link at <https://tritonlink.ucsd.edu/portal/site/tritonlink-preview/menuitem.b4448692267a11256ec5e210514b01ca?storyID=17736%20> or contact the undergraduate advisors in Sequoyah Hall 245. The economics department does not allow late additions (additions after the second week) to any class.

QUIZZES

In this course you will take 5 pairs of online quizzes that test comprehension of the course material. The quizzes will be posted on TED in weeks 2, 3, 6, 7, and 10. You will have 15 minutes to complete each quiz.

On the quiz labeled, “100-Student Quiz” your performance will be judged relative to a selection of 100 of your classmates who took the same quiz under the same conditions, and on the quiz labeled, “10-Student Quiz” your performance will be judged relative to a selection of 10 of your classmates who took the same quiz under the same conditions. In each grading scheme, 1 point will be awarded for participation in the quiz, and an additional 2 points will be awarded to the top 70 out of 100 scores in the 100-student quiz and the top 7 out of 10 scores in the 10-student quiz. So, on the “100-Student Quiz,” you will have to score higher than 30 students to get 2 points, and on the “10-Student Quiz,” you will have to score higher than 3 students (each of whom will be answering the same question, knowing they are in the small group.)

These quizzes are part of a research project involving about 400 students that aims to determine student reaction to classes of different sizes. A graduate student and Professor Andreoni will analyze the data from these quizzes after the conclusion of the course and after your data have been anonymized. ***Any identifying information will be omitted from the data.*** We will scramble your student ID numbers in a way that is irreversible to the analysts, so that no one will be able to attach your identity to the data at any point in the analysis. Again, our research will only begin once a teaching assistant not involved in the research has taken the data and replaced all identifying information with randomly assigned ID numbers.

Part of our analysis will attach your (anonymous) behavior on the quizzes to your (anonymous) previous performance in economics coursework in an attempt to determine the connection between experience in UCSD economics courses and behavior in the current course. Even though the data will be anonymous, participation is completely voluntary. If you are uncomfortable with any part of the study or the study as a whole at any point and would like to remove your information, there will be no negative consequences. If you agree to allow us to use your data, then your participation will terminate at the end of the quarter.

Please approach Professor Andreoni if you have any questions or concerns, and he will detail the method of analysis, the safeguards for protecting your anonymity, and your rights over your information.

IMPORTANT:

- There are 5 “Quiz Weeks” in which you will need to answer quizzes on TED.
- Each Quiz Week there will be two quizzes, one 100-Student Quiz and one 10-Student Quiz, as described above. **You will be graded on both quizzes.**
- Both quizzes will be available at noon on the Thursday of a Quiz Week, and both must be completed **by 5pm on the Friday** of the Quiz Week. That is, you will have 29 hours to complete the quizzes.
- Once you begin a quiz, you will have 15 minutes to complete it. This is the case for both Quiz A and Quiz B.
- You may do the quizzes in any order you like, and do either at any time in the 29 hours.

YOUR 100-Student Quiz and YOUR 10-Student Quiz

- Each week you PID will determine whether Quiz A or Quiz B is your 100-Student or 10-Student quiz.
- For Example, Quiz A may be titled, “100-Student Quiz for PIDs ending in: 1,2,4,7,9, and 10-Student Quiz for PIDs ending in 0,3,5,6,8.” So if your PID ends in 3, this will be your 10-Student Quiz, while if your PID ends in 7 this will be your 100-Student quiz.
- Both Quiz A and Quiz B are designed to be about equal in difficulty.

TO REMEMBER:

- Everyone gets 1 point for attempting a quiz.
- In the 100-Student quiz you get 2 points if your score is in the top 70 of the 100 students.
- In the 10-Student quiz you get 2 points if your score is in the top 7 of the 10 students.

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Schedule of Topics and Lectures

Week	Dates	Text, Math Handout	Topic
1	1/7	Calculus App'x, A.1-A.3 Chapter 1, 2.1-2.3	I. Introduction II. Supply and Demand Review (mostly on your own)
	1/9	3.1	III. Consumer Preferences A. Axioms of Rational Choice
2	1/14	3.2-3.3	III. Consumer Preferences: B. Utility Functions C. Level Curves of Utility Function: Indifference Curves D. Marginal Rate of Substitution
	1/16	3.4 (p.78-80)	IV. Common Utility Functions V. The Budget Constraint ==QUIZ 1A & 1B==
3	1/21	3.4 (p.81-92)	VI. Mathematical Review of Optimization
	1/23	3.5	VII. Utility Maximization and Demand Functions VIII. Behavioral Economics ==QUIZ 2A & 2B==
4	1/28	<i>Exam Review</i>	
	1/30	MIDTERM 1	Thursday, January 30th
5	2/4	4.1,4.2	IX. Comparative Statics of Demand A. Income changes
	2/6	4.3 (p.114-119)	B. Price Changes (income and substitution effects)
6	2/11	4.3 (p.119-124)	IX. (continued) C. Compensated Price Changes and Compensated Demand Functions.
	2/13	4.4,4.5	D. Slutsky Equation E. Demand Relationships Among Goods ==QUIZ 3A & 3B==
7	2/18	5.1,5.2	F. Measures of Consumer Welfare
	2/20	5.3,5.4	F. Measures of Consumer Welfare (continued) ==QUIZ 4A & 4B==
8	2/25	<i>Exam Review</i>	
	2/27	MIDTERM 2	Thursday, February 27th
9	3/4	5.5	X. Supply of Labor: The Labor-Leisure Decision
	3/6	16.1,16.2	XI. Supply of Saving: The Consumption-Savings Decision
10	3/11	16.3,16.4,16.5	XII. Decision Making Under Risk and Uncertainty
	3/13	<i>Review for Final</i>	XII. Decision Making Under Risk and Uncertainty, continued ==QUIZ 5A & 5B==