

Economics 100B: Microeconomics, Part B

Winter 2017, Professor Simone Galperti

This is the second of three courses in the core microeconomics sequence. It builds on the material presented in Economics 100A. The principal themes of the course will be the theory of production and firms, the markets for factors of production, and the competitive equilibrium reached between producers and consumers in “perfectly competitive” markets. The class emphasizes mathematical analysis in developing the theory; real-world applications will also be discussed.

Hybrid Format

The class will be taught using a hybrid of regular in-class lectures and video lectures from the *Intermediate Microeconomics Video Handbook*, which will be provided via the course TED site. **Students should not view the Video Handbook as a substitute for in-class lectures**, but rather as a supplementary material much like a textbook.

Prerequisites

Students must have taken the prerequisite courses listed in the UCSD catalog, have good math skills, and be very comfortable with calculus.

Class Website

Materials will be posted at <https://ted.ucsd.edu/> on the page for Economics 100B. Students should log in regularly and check for announcements.

Lecture and Discussion Section Schedule

	Lecture	A00 Tu/Th	5:00p-6:20p	RBC AUD
893476	Discussion	A01 F	4:00p-4:50p	HSS 1330
893477	Discussion	A02 F	5:00p-5:50p	HSS 1330
	Lecture	B00 Tu/Th	6:30p-7:50p	RBC AUD
893479	Discussion	B01 W	5:00p-5:50p	HSS 1330
893480	Discussion	B02 W	6:00p-6:50p	HSS 1330

There will be no class meetings on university holidays.

Examinations

There will be two midterm examinations and a final examination.

Midterm 1	Date	Time	Room
Section 893476-77	Friday, February 3	5:30p - 7:20p	PETER 110
Section 893479-80	Friday, February 3	5:30p - 7:20p	PETER 108

Midterm 2	Date	Time	Room
Section 893476-77	Friday, February 24	5:30p - 7:20p	PETER 110
Section 893479-80	Friday, February 24	5:30p - 7:20p	PETER 108

The exams will be graded **separately** for the two sections, so **do not go to the wrong room to take the midterm**. I would ask you to **please be in the room by 5:30p**, so that we can hand out the material and start on time. Due to the large number of students enrolled in this course, it is not possible to accommodate

midterm exams at times and dates different from the ones above. A student can be excused from a midterm **only** in cases of urgent health problems for which he or she provides **official** documentation.

Final	Date	Time	Room
Section 893476-77	Thursday, March 23	7:00p - 9:59p	TBA
Section 893479-80	Tuesday, March 21	7:00p - 9:59p	TBA

Please be in the room 20 minutes before the exam starts, so that we can hand out the material and start on time.

There will be assigned seating for examinations.

Weekly Problem Sets

Problem sets will be assigned weekly. They will not be graded and students do not need to submit them. However, working on the mathematical exercises is a **very critical part** of the learning process, so students are **strongly** urged to take problem sets seriously. Students are also **strongly** encouraged to work on problem sets in small groups of at most 4 or 5, where **everybody** attempts an answer to the problem at hand **on his or her own first** and **only then** solutions are discussed within the group. This is a very effective way to learn the material and prepare for the exams. During your discussion section, your TA will work on the homework assignment for that week. We will post the answer key **only after** the homework has been discussed in the discussion section; this is for your good (to give every student the time to work on the exercises on his or her own without the temptation to look at the solutions). **Please, do not email the professor nor the TAs to ask for solutions beforehand.**

Grading Weights

Midterms: 25% each. Final: 50%.

If a student misses a midterm without an acceptable and documented excuse as explained above, he or she will earn zero points in that midterm. If a student is excused based on an acceptable and documented reason, the weight of the missed midterm will be reallocated to the other midterm (which will count for 35%) and to the final (which will count for 65%). If a student misses both midterms for acceptable reasons, his or her grade will be entirely based on the final exam.

Readings

The text selected by the Economics Department for Econ 100ABC is *Intermediate Microeconomics with Calculus: A Modern Approach* (Varian). Chapters 1, 6, 9, 14, 15, 16, 19-24, 32, and 33 are relevant for Econ 100B. Students should think of the textbook as supplementary material. Other calculus-based textbooks can be used in place of Varian, including Nicholson's *Microeconomic Theory*. One free option is an online introductory textbook written by Preston McAfee, available at: <http://www.introecon.com/>. The level of this book is between Econ 1 and Econ 100. A free math-preparation book by Martin Osborne is available at: <http://www.economics.utoronto.ca/osborne/MathTutorial/index.html>. Chapters 1-6 of this book review the calculus tools taught in Math 10ABC or 20ABC that are most important for this course.

Mandatory Discussion Sessions

These mandatory sessions are conducted by the TAs who will work through problem sets and answer your questions regarding lectures, the textbook, homework problems, and old exam problems. Please go to the discussion section you are enrolled in (if you cannot, please talk to me).

Note: there will be **no** discussion session during the first week of classes.

Problem Solving and Economics Tutoring (PSET) Lab

Undergraduate and graduate TAs will be available to answer your questions in Econ 200 most evenings and on Sundays. In Econ 200 there is room for you to work on your homework and get your questions answered if you get stuck. We are hoping to offer PSET on MTWTh from 5:30pm to 8:30pm and on Sunday from 2pm to 6pm, but please check the web page for actual hours: <http://economics.ucsd.edu/undergraduate-program/courses/pset-lab.html> PSET is a great opportunity for you to learn the course material and practice exercises in an efficient and time-effective way. Especially those students who feel they are struggling in the course should attend PSET, **without waiting** until late in the course.

Here is what students who attended PSET in the Fall 2016 think about it: 89.8% agree/strongly agree with, "I would recommend PSET to students taking this class next quarter;" 90.5% agree/strongly agree with, "Going to PSET helped me learn the course material." From those who went to PSET, here are some comments about why they liked it:

- It gives me a chance to understand the material, and ask detailed questions
- It was a casual, comfortable environment to ask questions
- It focused on teaching the students rather than spoon-feeding answers
- You can work with different TA's based on your learning style. You can also see what other students are asking and work together
- It's a great study environment with help
- There were multiple people who were available for assistance at all times and so I was helped quickly, and I was able to work with other students as well
- Can share other ideas that I couldn't completely understand with other classmates and good opportunity to get familiar with other classmates
- More flexible hours than office hours
- I can work on my own and if I get stuck on something I can ask the TA and they will help me out, instead of getting stuck and having no one around to help me. I was here more than 80% of the time and I have gotten excellent grades on my econ 120b course thanks to pset!
- There is a set time where TA's are there to help, so I didn't need to search up individual TA office hours and coordinate according to that. PSET is easier to seek help and for me, it didn't matter if the TA helping me is my actual TA
- It was in one place and it was easier to communicate to the TA's
- Lasts longer than office hours, can work there and ask problems when they occur

Course Email Address

If you have questions regarding the course, you can send an email to Econ100BWinter2017@gmail.com or to your favorite TA. **Do not send emails to Galperti's email address directly, except for very urgent matters.**

Teaching Assistants and Contact Information

893476-77	Jeevanandam Bume, Veena (vjeevana@ucsd.edu , SH 227) Berg, Miles (mlberg@ucsd.edu , Econ 128)
863479-80	Khoury, Stephanie (sekhoury@ucsd.edu , SH 127) Zhu, Linyan (liz125@ucsd.edu , SH 205)

The TAs' office hour will take place during the PSET lab. Times and dates will be posted on the TED website for the course.

Galperti's Office Hours and Location

Friday 9:00a–12:00p. Office hours will usually take place in Econ 213. **Please do not disturb Galperti outside of office hours.** Keep in mind that the time and days of office hour are not set in stone; if what I suggested does not work for a large enough group of students, I can move it. But you have to let me know.

How to Succeed in the Course

Doing well in this course requires regular attendance at lectures and sections, watching the on-line lectures, and solving practice problems. It is essential that a student **understands first the definitions and concepts that are presented in class**, before going to the exercises. Do not spend 90% (or more) of your time doing exercises and only 10% (or less) studying the theory. Working through the mathematical exercises is a particularly important part of the learning process (but it is not everything!). It is not enough to glance at the solutions to the exercises. Students should work on as many of the assigned exercises as they can before the discussion sections and before looking at solution keys.

Do not come to class and spend all your time texting your friends or surfing the internet. You are wasting precious time and the opportunity to understand the material, which may look trivial to you at first but is not.

Do not be afraid to ask questions if something is not clear. Remember, no question is wrong or silly!

Lecture notes: I will post on the course website course material that you can use to take notes. This material already contains some of the definitions and formulas that we will discuss in class, so that you don't have to worry about writing down everything that I say and you can better follow the lectures. I am going to project similar notes and write on them so that you can follow along. I think that using these notes is a very efficient and effective way to follow in class and absorb the material and to keep everything in order. **Print them out and use them wisely in class!** I am sorry that I am asking to print them, but this is again in your best interest.

Future Opportunities

100BH: If you earn an A+/A/A- grade in my class this quarter, I recommend that you take the one-unit honors class 100BH in the future. Honors classes are capped at 20 students and you will get to know the faculty member well (very important for getting letters of recommendation!). These classes typically have you give a short presentation and write a short paper. Presenting and writing in the major are two valuable skills that are challenging for us to offer in large classes. I recommend you take advantage of the 100BH opportunity.

Administrative Notes

1. If you have a documented disability, please bring your documentation to the professor or lead TA so that suitable accommodations can be made. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities 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 in this course will earn a failing grade for the course. In addition to this academic sanction, the Council of Deans of Student Affairs will also impose a disciplinary penalty. For UCSD policy, please see <http://www-senate.ucsd.edu/manual/appendices/app2.htm>.
3. **You will only need a writing instrument (pen or pencil) for examinations.** No books, notes, or electronic devices (including calculators, headphones, cell phones) are allowed, and students may not consult with each other during the examinations.
4. If you arrive late to an exam, you will be allowed to take the exam in the time that remains as long as no one has submitted his/her exam and left the room. If you arrive after someone has submitted an exam, you will earn zero points on the test.
5. If you believe that an exam has not been properly graded, you must first discuss this with a TA for the course. If after talking to the TA, you would like to have your exam re-graded, you must submit a re-grade request to the lead TA within seven days from when exams were returned to the class. You must explain clearly why you believe your score is in error. The professor and TAs will then discuss the question, review your entire exam, and increase *or decrease* your score as is necessary. You may not ask for another re-grade or reinstate your original grade. Hence, by submitting a re-grade request you risk having your score decrease, so consider this decision carefully.
6. UCSD has automated wait-lists. If you have any questions regarding adding the class, please contact the undergraduate advisors in Sequoyah Hall 245. The economics department does not allow late additions (additions after the second week) to any class.
7. Students should attend and participate in class; **their mobile phones and other distracting devices should not.** The professor will employ the necessary means to discourage classroom distractions.

Schedule of Topics and Lectures

This is a very rough schedule of the timing of topics; the material may be covered at a slightly faster or slower pace. I will make sure to let you know if you must watch any video in the *Video Handbook* before an in-class lecture.

Key to the video lecture parts: A Math Topics, B Basics, C Theory of the Consumer, D Theory of the Firm (D1 Production, D2 Cost Functions, D3 Optimal Supply in Markets), E Equilibrium in Competitive Markets (E1 Competitive Equilibrium in a Single Market, E2 General Welfare Analysis), F Game Theory, G Imperfect Competition, H Externalities and Public Goods, I Asymmetric Information.

<u>Dates</u>	<u>Topics</u>	<u>Video lectures</u>
January 10	Review and Overview	Parts A and C as needed
January 12-19	The Firm and Production	D1a-m, also A3-4 as needed
January 24-February 2	Theory of Costs (short run, long run)	D2a-1, also A5-6 as needed
February 3	Midterm exam 1	
February 7-14	Optimal Supply in Competitive Markets	D3a-k, also A5-6 as needed
February 16-23	Partial Equilibrium Analysis	E1a-j videos <i>required</i>
February 24	Midterm exam 2	
February 24-March 2	General Equilibrium Analysis	E2a-i videos <i>required</i>
March 7-14	Welfare Analysis	E2j-m videos <i>required</i>
March 16	Review	

Also, students must understand Sections F-H of Machina's Econ 100ABC math handout:
<http://ilti.ucsd.edu/Content/Econ-IMVH/files/IMVH%20Calculus%20Supplement.pdf>
 This material will be utilized during the course.