

Economics 101 Syllabus, Spring 2009

Professor Sarah M. Estelle

Section 1 @ 8 am MWF (CRN 29496) ◊ Section 2 @ 9 am MWF (CRN 29499)

Welcome to ECON 101, the microeconomics portion of the introductory economics series at Rhodes. While the basic principles of microeconomics are most famously used by economists in the academic world, finance, and public policy, the “economic way of thinking” can be successfully employed by anyone. Economics has applications far beyond the stock market and tax policy. Like other social scientists, economists aim to explain human behavior but within a unique framework using special tools. In this course you will start building an economist’s toolkit that will allow you to study *homo economicus* (economic man), rightly understood. Specific topics of this course include demand for goods and services, production and supply of the same, trade, market failures, and resource allocation.

Course Objectives/ Learning Objectives

As an introductory class, the objectives of this course are primarily:

- (1) To instruct students in a **basic cognitive background** of economic analysis including terminology and methods, particularly the economic way of thinking.
- (2) To nurture an **understanding of economic principles and theories** among students that illuminates economics’ interrelation with and applicability to other disciplines and, even, one’s daily life.

Teaching Philosophy

Teaching microeconomic principles is an opportunity for me to share with my students the topics that first made me fall in love with this field. Many principles students will not go on to major in economics and some may not intend on taking additional business or economics courses. While I love to open students’ eyes to what an economics major can offer, the source of my enthusiasm for principles courses is my belief that the knowledge of basic economic theory is important for everyone and is applicable to daily life.

I hope by the end of the semester, you will see that I enjoy economics, prepare carefully for classes, and genuinely value my role as professor. It is my goal to prepare lecture material that provides structure while encouraging interaction and allowing student questions to direct the pace and content of each class period. In the end, it is my ambition in any principles course to nurture students’ development of economic intuition.

Learning Philosophy

You will likely hear me say more than once that my desire is for you to “wrap your brain” around the material. I hope each of you will strive to reach a level of proficiency that allows you to take the course material beyond this semester and use it in your life. There probably is not one right way to accomplish this, but my suggestions for you are as follows:

- Before class – Read the assigned material to familiarize yourself with the vocabulary and to start formulating questions you will share with the class.
- After class – As soon as possible, review your notes (recopying if necessary) with an eye towards filling in any gaps and identifying pieces of material that are still unclear. Consult your textbook again as well as your classmates and me to clarify any uncertainty. Are your notes complete? Are there any parts of the text that remain unclear after reviewing the lecture?
- Stay organized. Keep your class notes and assignments as well as any course-related e-mails for future reference.
- Make use of office hours. I will provide some supplementary office hours before each exam, but the best way to develop the economic way of thinking is to employ it daily. Talking to me is one way of doing that.
- Work in groups. Another way of honing your set of economic tools and developing a deeper intuition is to work with classmates. You will develop a more complete understanding of topics of which you have a firm grasp by explaining it to someone else to whom it is unclear. When you are struggling with a concept, describing and exploring your confusion with someone else can bring to light the missing piece of the puzzle. You might even discover that something that seemed simple to you initially is not as simple as you thought once you try to teach it to someone else.
- Do not confuse busy work with active learning. As a left-brain dominant individual, I appreciate color-coded notecards and spotless lecture notes as much as anyone, but I continually push myself to go beyond my comfort zone. Students who ask questions of the instructor, of their classmates, and – better yet – of themselves and who practice concepts of the course beyond the assigned material often have an advantage when facing a writing assignment or short answer essay exam. Instead of recopying a graph, draw one of your own and manipulate it. Instead of reviewing for a third time a problem for class or an example from the text, try to write your own practice test. Another great way to exercise your economic intuition is in the Moodle forums for the course. If you need more ideas or would like to share your own strategy with me, I would be delighted to meet with you.

Instructor:

Sarah M. Estelle, 315 Buckman Hall

Office Hours: Mondays and Wednesdays 1330 – 1530, and by appointment

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Required Texts: There are three required books. Reading (and rereading) these will help you develop the economist's technique of thinking.

- 📖 Landsburg, Price Theory and Applications (7th edition, published in 2007)
- 📖 Jevons, The Fatal Equilibrium (paperback)
- 📖 Hazlitt, Economics in One Lesson (The HTML version of this book can be found at <http://jim.com/econ/contents.html> and hardcopies are available in the college bookstore.)

I will also assign short supplementary readings throughout the semester.

Attendance: There will be three fifty-minute classes each week; these will not parrot the assigned reading, so you are expected to attend every class and arrive on time. The cost you impose upon me and the class by entering late is what economists call a negative externality. You can impose a significant positive externality on the class when you are in attendance and prepared to participate. If you miss a class for any reason, you are responsible for obtaining the information you missed from a classmate and encouraged to follow-up with me afterwards.

Visiting Speakers: The Economics and Business Department will host some highly distinguished speakers this semester including, on **March 4, Kenneth G. Elzinga** from the University of Virginia. Prof. Elzinga is an anti-trust economist who has participated in many interesting court cases, including some heard by the Supreme Court. Interestingly, he is also a murder mystery author. Attendance at Prof. Elzinga's presentation at 7:00 p.m. in Hardie Auditorium is required given its particular relevance to this course. He will give an afternoon talk at 3:30 p.m. on the same day in FJ-A; your attendance is optional. I will announce dates and times for the other distinguished speakers (including a Nobel Laureate in economics!) in advance as well. Attendance is strongly recommended and may be rewarded with extra credit opportunities.

Academic Support: Students who wish to discuss individual accommodations for disabilities as recommended by the **Office of Student Disability Services** (x3994, e-mail: mccowenm@rhodes.edu) should see me during office hours as early in the semester as possible.

Hannah Spirrison is the **peer tutor** for our class this semester. She will answer questions on Tuesdays between 7:00 and 9:00 p.m. and Wednesdays from 4:00 to 6:00 p.m. in Barret 301.

Course Grade: The first exam will count for 90 points, the second exam 90 points, and the final exam 160 points. Another 60 points will come from homework and quiz grades throughout the semester. Your grade for the course will be calculated out of 400 points total, and letter grades will be assigned according to the following scale

Letter Grade	400-point Scale	Corresponding %
A	372	93%
A-	360	90%
B+	348	87%
B	332	83%
B-	320	80%
C+	308	77%
C	292	73%
C-	280	70%
D+	268	67%
D	252	63%
D-	240	60%
F	239 and below	< 60%

Midterm Exams: Midterm exams are scheduled for the class periods on **Friday, February 20** and **Wednesday, April 8**.

The tentative course outline on the final page of this document provides a useful estimate of the material we will cover before each exam. The material in sections 1 and 2 will be included on the first test. The second test is not explicitly comprehensive, but will build on previous material. It will test your knowledge of consumer theory (section 3) and producer theory (sections 4-6), as well as The Fatal Equilibrium. The comprehensive final exam will be more heavily weighted towards material covered since the second test (sections 5 through 9).

If you are unable to take a midterm at the scheduled time because of a mandatory intercollegiate competition, please see me as early as possible in the semester. We will arrange for a time when you can take the exam *before* the scheduled exam time with which you have a conflict.

In the case of severe illness or death of a family member, please notify me of your situation (in advance unless it is an extreme and unforeseen emergency), and I will allow you to drop the exam. In this case the final will be reweighted to bring your total possible points to 400.

- Final Exam:** The comprehensive final exam will take place during the scheduled exam period for your section:
- | | |
|-----------|-------------------------|
| Section 1 | Saturday 5/9 at 5:30 pm |
| Section 2 | Friday 5/8 at 1:00 pm |
- You may take the exam at either of these times with permission. (Permission will be granted based on availability of space in the classroom and is at the discretion of the professor.) If you wish to take the final exam with the other class, let me know by the end of the day on **Wednesday, April 29**.
- Homework and Quizzes:** Homework assignments and quizzes will constitute 15% of your grade.
- There will be five (5) quizzes this semester. Quizzes will not necessarily be announced and **may not be taken at another time under any circumstances**. Quizzes will be closed note, closed book, and closed classmate. Your lowest quiz score will be dropped.
- Unless otherwise stated, you may complete homework assignments in groups of up to three students. Each group may turn in one homework submission with each group member's name written on top. Although I will not police this, it behooves each group member to contribute equally in every assignment. "Free riding" on classmates for homework grades will likely lead to struggles on larger grades in the course (e.g., midterm and final exams.) Homework assignments are due by 10:00 a.m. on the due date unless otherwise stated. Late homework submissions will not be accepted.
- I will also suggest numerous practice problems that will not be collected or graded. You are expected to complete any problems I suggest from the Landsburg text and to do so in a timely fashion (e.g., before the next class or within the week). We will go over some of these in class. For those we do not (and others you might come across in your studies), I strongly encourage you to discuss them in groups and come see me in my office hours.
- Optional Writing Assignment:** Each student has the option to write one short paper this semester (assignment to follow). Up to 10 points will be added to your homework score should you choose to complete the paper. Papers are due by 3 p.m. on **Wednesday, April 15**. Early papers will be happily accepted; late papers will not be accepted. You may discuss broad concepts and ideas you have about your papers with your classmates, but you *may not* share the paper itself with anyone other than Writing Center staff and me.
- Grading Questions:** I will make every effort to grade assignments and exams consistently across students. However, I have been known to make mistakes. (Though, only three in my life, if I'm not mistaken. ☺) If you have a question about the grading of an assignment or an exam question, please prepare as follows *before* coming to my office hours.
- 1) Review the grading explanations given to you when you received your grade. How is your answer different from the ideal one provided?
 - 2) Consult with your notes and your text to be sure you fully understand the material.
 - 3) If your question still remains, compose a concise explanation of how the answer you provided on the exam is correct. Drop off your test and written explanation to my office at your earliest convenience.
- Taking these steps before discussing your assignment/exam with me serves two purposes. First, it provides yet another opportunity for you to explore the material and learn how to communicate what you've learned. Second, it allows me to take time to consider your argument and, if necessary, rectify any mistakes I've made. All grading questions must be presented to me no later than **Monday, April 27**.
- Moodle:** If you have not done so already, please log in to Moodle and familiarize yourself with our ECON 101 course page. We will use this technology to facilitate the majority of communication outside of class. It is expected that you will check this site daily, since I will not always announce in class everything that appears on the Moodle site.
- The Honor System:** I take the Honor Code seriously. I trust that students in this class will be truthful in their dealings with me and will not cheat on their assignments and exams. In the event that one of you observes an incidence of cheating, I assume you will report the violation to a member of the Honor Council.
- Plagiarism:** According to the Honor Council Constitution, "Plagiarism is an act of academic dishonesty. A student must not adopt or reproduce ideas, words, or statements of another person without appropriate acknowledgment." Please consult the staff at the Writing Center or me if you have questions on citing sources in your coursework.

This syllabus is a contract. Continued enrollment in this course implies your agreement with the policies addressed herein.

Assigned Readings and Tentative Course Outline*

All reading assignments are from the Landsburg text unless otherwise noted.

1. *The Central Economic Problems and the Approach of Economics*
Preface, Chapter 19
Hazlitt Prefaces, 1 and 2
Chapter 2
2. *Allocation by Price: An Introduction to the Theory of Supply and Demand*
Chapter 1
Hazlitt 15
Hazlitt 17-19
Chapter 4 (pp. 96-102)
Begin TFE

MIDTERM EXAM 1: Friday, February 20

3. *The Theory of Demand: Consumer Behavior*
Chapters 3 and 4
(excluding Ch 3 appendix)
Complete TFE by Mon, March 2
4. *The Theory of Supply: The Behavior of Firms*
Chapters 5
Chapter 6 (pp. 135-145, 156-158, 160-163)
Hazlitt 22
5. *When the Market "Works": Perfect Competition*
Chapter 7
6. *When the Market "Fails": Monopoly*
Chapter 10
(pp. 313-319 not "Welfare", pp. 325-329)

MIDTERM EXAM 2: Wednesday, April 8

7. *Welfare Economics and Efficiency Criteria*
Chapter 8 (pp. 219-251)
Chapter 10 (pp. 319-324)
8. *Other Opportunities for Market Failure: Externalities and Public Goods*
Chapter 13 (pp. 417-440)
Chapter 14 (skim purposefully)
9. *Special Topics and Concluding Remarks*
Hazlitt 25
Chapter 19

FINAL EXAM:

Friday, May 8 at 1:00 p.m. (Section 2) – or - Saturday, May 9 at 5:30 p.m. (Section 1)

*NOTE: Both reading assignments and the course outline are **subject to change**.