Economics 201: Principles of Economics - Micro

This course studies theories of individual choice in the face of scarcity. We will examine how individuals make choices about consumption and firms make choices about production. We will then study the consequence of these choices and government policy on market outcomes. Microeconomics provides the foundation for the study of other areas of economics.

Book and Problem Sets
I have assigned *Microeconomics, 2nd Edition* by Paul Krugman and Robin Wells and you will also need a subscription for Aplia (aplia.com). We will be using Aplia software for problem sets. I have found that the frequent online problem sets are help most students learn the concepts. There are several ways to buy both the textbook and Aplia:

2) A looseleaf paper version of *Microeconomics* with Aplia subscription for $141.30 at the PSU Bookstore.
3) You can buy a used paper version of *Microeconomics* from a used book web site like this one although the prices for the 2nd Edition still haven't dropped very much, and you still need an Aplia subscription. I have seen some Aplia subscriptions for sale at low prices on used book web sites, but make sure they are valid before buying. The ISBN codes for the *Microeconomics* ebook and Aplia bundle are ISBN10: 1-285-09699-1, ISBN13: 978-1-285-09699-5

Note that I am not using the new 3rd edition of Krugman and Wells.

If you don't like the style of Krugman and Wells for whatever reason, I suggest that you get an inexpensive used copy of another introductory microeconomics text to read first, and only use Krugman and Wells when it is needed for understanding the problem sets. Good introductory texts include Colander (more discursive), Mankiw (good examples), Case and Fair (more theoretical and logical), Baumol and Blinder, and dozens of others.
Aplia registration:

2. It is a good idea to check the compatibility of your computer software with Aplia: click the link for the System Configuration Test just below the Create a New Account button on the lower right of the Aplia home page. When you have made sure your browser and other software is up-to-date, return to the Aplia home page.
3. If you don't have an account, click the Create a New Account button, and choose Student Account.
4. Enter your Course Key when prompted: M8UH-32ZG-NFE9. Once you create an account, sign in. Go to your My Courses page, and click the Enroll in a New Course button.

As soon as you register for this course on Aplia you can start using the software. You can pay for the software online with a credit card right away, enter the access code from your Bookstore purchase, or pay later (until 10/13/2012) online or by paper check.

All course materials will be posted on the Aplia site. There is no Desire-to-Learn site for this course.

Clickers

This course uses a clicker system called Top Hat Monocle on your cellphone or wireless device (iPad, notebook computer, etc.). If any student does not have either a cellphone (of any kind) or a wireless device, come talk to me.

You will need to register and pay for the clicker software:
2. Enroll in Ec 201 by visiting www.tophatmonocle.com/e191519.
3. Click on the Help link once you log in to access tutorials.

You will answer questions in class with the clicker system by either sending a text message from a basic cellphone, or by logging in to the Top Hat Monocle web site from a smart phone or a wireless device.
Grades, etc.

Grades are determined by performance on

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Do not plagiarize or engage in any other form of academic dishonesty. I vigorously pursue suspected cheating because it undermines honest work.

Students with accommodations approved through the Disability Resource Center need to tell me during the first week of term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the DRC immediately.
Course Outline and Readings

- Week 1, Class 1, 2 (September 25, 27)
  Introduction: First principles (K&W, Chap. 1)

- Week 2, Class 3, 4 (October 2, 4)
  Trade-offs (K&W Chap. 2)

- Week 3, Class 5, 6 (October 9, 11)
  Supply and Demand (K&W Chap. 3)
  How to save and invest (reading on Aplia)

- Week 4, Class 7, 8 (October 16, 18)
  Consumer and Producer Surplus & Price Controls (K&W Chaps. 4 & 5)

- Week 5, Class 9, 10 (October 23, 25)
  Elasticities (K&W Chap. 6)
  pp. 143-6 up to “An Alternative Way to Calculate Elasticities”
  pp. 148-152 up to “Price Elasticity Along the Demand Curve”
  pp. 158-161 up to “Economics in Action”
  Taxes (K&W Chap. 7)

- Midterm, Thursday, October 25th in class

- Week 6, Class 11, 12 (October 30, November 1)
  Inside Job movie (Financial collapse of 2008)
  International Trade (K&W, Chap. 8)

- Week 7, Class 13, 14 (November 6, 8)
  Making Decisions (K&W, Chap. 9)
  Rational Consumer (K&W, Chap. 10)

- Week 8, Class 15, 16 (November 13, 15)
  Consumer Choice (K&W, Chap. 11)
  Perfectly Competitive Firm Production (K&W, Chap. 13)

- Week 9, Class 17 (November 20)
  Monopoly (K&W, Chap. 14)

- Week 10, Class 18, 19 (November 27, 29)
  Externalities (K&W, Chap. 17)
  Great Divergence (reading on Aplia)

- Final – Tuesday, December 4th, 10:15-12:05 (in classroom: SH 212)