

**San José State University
Department of Economics**

**Econ 001B—Principles of Economics—Microeconomics
Section 06—Class Number 48219**

Fall 2018

Course and Contact Information

Instructor:	Mark Brady
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Office Hours:	MW 12:00–12:30 PM, TTh 4:30–5:00 PM, and by appointment
Class Days/Time:	MW 9:00–10:15 AM
Classroom:	DMH 166
Prerequisites:	May be taken concurrently or prior to ECON 1A

Course Description (from the catalog)

Allocation of resources and distribution of income as affected by the workings of the price system and by government policies.

Course of Study

First we look at seven big ideas in economics and some key concepts in microeconomics (price theory). These include opportunity cost, absolute and comparative advantage, and specialization and the gains from trade; economic calculation, central planning, and the role of markets and prices in coordinating exchange; supply and demand analysis; elasticity and its applications; taxes and subsidies; and price ceilings and price floors. We then explore such topics as externalities; competition, monopoly, and price discrimination; the economics of labor markets and discrimination; public goods and the tragedy of the commons; and some issues in public policy. Throughout the course, we apply economic analysis to understand the world around us.

Course Goals and Student Learning Objectives

The goal is to promote both economic understanding and application (Econ SLO 1 & 2). Specifically, students are expected to gain familiarity with analytical methods and model-based argument; and relationships between verbal, graphical, mathematical and statistical representations of economic ideas and analysis (Econ SLO 1.3).

Course Learning Outcomes

Upon successful completion of this course, students should have an understanding of the principal ideas in microeconomics, including:

Why incentives matter (law of demand; law of supply; rational decision makers weight marginal costs versus marginal benefits; the power of self-interest)

Opportunity cost (sunk costs; production possibilities; the free-lunch fallacy; tradeoffs in consumption and production; gains from interpersonal and international trade; comparative advantage)

Supply and demand (understanding the S&D model as a representation of individual choices in exchange based on individual preferences, knowledge and circumstances; ability to examine current events using S&D tools; movement versus shift; welfare analysis)

Required Texts/Readings

Required Text

Tyler Cowen and Alex Tabarrok, *Modern Principles: Microeconomics*, 3rd ed. (New York: Worth, 2015) or 4th ed. (2018). But avoid the 1st ed. (2010) or the 2nd ed. (2013). (Remember the more recent the edition, the higher the buy-back price.) Or you may choose to rent the e-text of the third or fourth edition. (Please note that I customarily refer to the chapter numbers, and I'll be sure to mention where they differ between editions.)

Make sure that you are buying the **Micro** and not the Macro text. I've had students buy the wrong book. Of course, you would never do that!

And be aware that anyone can access the authors' website *Marginal Revolution University* at <http://www.mruniversity.com> and watch hundreds of videos for free. Why not check it out this weekend? Although I encourage you to begin reading the book as soon as you get a copy, it's okay if your copy doesn't arrive until the week of Monday, September 3.

Other Readings

I also assign the occasional supplementary reading and (short) video that you can view on the web.

Course Requirements and Assignments

“Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities.” More details about student workload can be found in University Policy S16-9, Course Syllabi at <http://www.sjsu.edu/senate/docs/S16-9.pdf>.

There are four components to your grade: three examinations (60%), fifteen best quizzes (30%), a term paper (10%), and extra credit.

- There are two shorter exams (**Monday, September 24**, and **Monday, November 5**), which emphasize what we have covered since the previous exam and are worth 15% and 20% respectively. The final comprehensive exam (**Wednesday, December 12, 7:15–9:30 AM**) is worth 25%. All three exams consist entirely of multiple choice.

Course Requirements and Assignments (cont'd)

- There are at least 30 objective **quizzes** worth a total of 30 points. Each quiz is worth two points, allowing students to drop or miss at least fifteen quizzes. Quiz scores are calculated pro rata so that 10/10 on a quiz is worth two points, and 5/10 is worth one point. **There are no make-ups for any quizzes.**

Many quizzes, including the first three, are based on my lectures. Others are based on chapters from Cowen and Tabarrok's *Modern Principles: Microeconomics* and test your knowledge of key concepts. And one quiz is based on a video that you watch in class.

- I'll talk about the **term paper** that is worth up to 10% of your final grade on **Monday, October 22**, and distribute detailed instructions at that time. Your paper is due by **6 PM on Monday, November 19**.

Grading Policy

Converting number grades to letter grades:

95-100	A+	90-94	A	85-89	A-		
80-84	B+	75-79	B	70-74	B-		
65-69	C+	60-64	C	55-59	C-		
50-54	D+	45-49	D	40-44	D-	0-39	F

Although I expect to grade on a curve, I also take into account your absolute performance (as compared with your performance relative to other students) and if every student does first-rate work, I'd be delighted to award everyone an A.

I am happy to help you. If you experience any difficulty in this course, please do not hesitate to come to me for help. I am available not only during office hours but also by email and phone, and I am always happy to clarify difficult concepts, resolve any lingering confusion, or otherwise assist you in making this course enjoyable and rewarding.

Classroom Protocol

Class attendance is not mandatory and will not directly affect a student's grade. However, students who miss several classes, in addition to dropping quizzes, will very likely consign themselves to doing extremely poorly on their exams. I therefore strongly encourage students to attend fully every class.

University Policies <http://info.sjsu.edu/> <http://www.sjsu.edu/students/>

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's Catalog Policies section at <http://info.sjsu.edu/static/catalog/policies.html>. Add/drop deadlines can be found on the current academic calendar web page at http://www.sjsu.edu/provost/academic_affairs/resources/academic_calendars/. The Late Drop Policy is available at <http://www.sjsu.edu/aars/policies/latedrops/policy/>. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at <http://www.sjsu.edu/advising/>.

Consent for Recording of Class and Public Sharing of Instructor Material

University Policy S12-7, <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course.

“Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”

“Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.”

Academic integrity

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The University's Academic Integrity policy, located at <http://www.sjsu.edu/senate/docs/F15-7.pdf>, requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at <http://www.sjsu.edu/studentconduct/>.

Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Policy S07-2 requires approval of instructors.

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at <http://www.sjsu.edu/aec/> to establish a record of their disability.

Course Schedule

The schedule is subject to change with fair notice (announcement in class)
 You may read the [fall calendar](http://www.sjsu.edu/registrar/calendar/2184/) here: <http://www.sjsu.edu/registrar/calendar/2184/>

Week	Dates	Topics, Readings, Exams, Deadlines
1	Tuesday, August 21 August 22	First day of instruction—classes begin First day to drop a class without a “W” grade and with 100% refund Late Registration period begins—Registration via MySJSU starting after 7am First day of class—Introduction to the economic way of thinking
2	August 27 August 29 Friday, August 31	Introduction to the economic way of thinking (cont’d) Production possibilities frontiers Last day to drop a class without a “W” grade and with 100% refund
3	Monday, September 3 September 5	Labor Day—campus closed Specialization and trade—the theory of comparative advantage
4	Monday, September 10 September 10 September 12	Last day to add via MySJSU online and without a petition & late fee Specialization and trade—the theory of comparative advantage (cont’d) Demand and supply
5	September 17 & 19	Demand and supply (cont’d)
6	September 24 September 26	First short exam (15%) <i>Adam Smith and the Wealth of Nations</i> (2000) (video and quiz)
7	October 1 October 3	Economic calculation, central planning, and the role of markets and prices in coordinating exchange; the price system: signals, speculation, and prediction Elasticity and its applications
8	October 8 October 10	Elasticity and its applications (cont’d) Taxes and subsidies
9	October 15 October 17	Taxes and subsidies (cont’d) Price ceilings and floors
10	October 22 October 22 & 24	Instructions regarding the term paper Externalities—when prices send the wrong signals
11	October 29 & 31	Costs and profit maximization under competition; competition and the invisible hand
12	Sunday, November 4 November 5 November 7	2 AM: Clocks go backward by one hour (PDT → PST) Second short exam (15%) Monopoly and price discrimination
13	Monday, November 12 November 14 Friday, November 16	Veterans Day (Observed)—campus closed Monopoly and price discrimination Last Day to Withdraw -Withdrawal from the Semester Request on AARS website Last Day to submit a Late Enrollment Petition for Post-Census Requests(PDF) for current term
14	November 19 November 19 Wednesday, November 21 November 22 & 23	The term paper is due by 6 PM Further topics in industrial organization Non-Instructional Day—campus open Thanksgiving Holidays—campus closed
15	November 26 & 28	Labor markets
16	December 3 & 5	Public goods and the tragedy of the commons
Final exam	Monday, December 10 December 10 Tuesday, December 11 December 12-14, 17-18 Wednesday, December 12 Wednesday, December 19	Last day of instruction—last day of classes Last day of class—Political economy and public choice Study/Conference Day (no classes or exams) Final examinations Final exam (15%) DMH 166 7:15-9:30 AM Final examinations make-up day