Principles of Microeconomics (111-03)
Prathi Seneviratne
Spring 2014

Class meetings: T,Th 1:15 – 3:00 p.m.
Classroom: Willis 205

Office hours: M 2-3:30 p.m., W 2–3:30 p.m.
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Prefect: Emily Turner
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Course description

This course will introduce you to economic models of how consumers and firms make decisions and interact with each other in markets. We will study the determinants of consumer and firm behavior, how they make choices in the face of various constraints, how their decisions affect market outcomes, and the effects of public policy on their behavior. Throughout the course, we will evaluate real-world case studies using the conceptual tools developed in class.

Class meetings

Class meetings will be a combination of lectures and in-class activities. The in-class activities will be in the form of group work, group discussions and games, and are intended to encourage active class participation and help you overcome any inhibitions you might have for speaking up in class.

Required reading

2) Additional readings will be provided on Moodle (log in at https://moodle.carleton.edu/)

Optional reading

In addition to the required readings, I will post news articles and opinion pieces as recommended readings to broaden your understanding of course material. You are also encouraged to regularly read a digital or print newspaper, and to send me any articles you would like me to share with the class. I will post these on Moodle. Suggested news source are:

The Economist: Available in print format in the library and the 3rd floor of Willis, and in digital format in the library. If you want your own subscription, the student rate is $30 for 12 weeks, and you get both print and digital access.

Moodle

We will use Moodle for this course. Log in at https://moodle.carleton.edu/ and click on the tab “My courses” on the left to locate the folder for this course. This syllabus is posted on the Moodle site, so you can refer to it at any time during the term. Required readings, recommended readings, and homework assignments will be posted on Moodle according to a weekly schedule. Please check frequently for updates. In addition, please send me news articles or opinion pieces that you think are interesting and relevant to the topics covered in this course, and I will post these on Moodle for everyone to access.

Evaluation

Your performance in this course will be evaluated on the basis of three exams, homework assignments (response papers and problem sets), and participation in in-class activities. Your final grade will be determined as follows:

Attendance and participation: 10%
Response papers: 25%
Problem sets: 5%
First midterm exam: 20%
Second midterm exam: 20%
Final exam: 20%

If you fare poorly on one of the midterm exams but do relatively well on the final exam, I will re-assign the entire weight of that midterm exam to the final exam so that you can get a better course grade. However, this option is only available to you if you complete all of your problem sets on time (no excuses). Note that the weight on the problem sets is only 5%, so it will have a negligible effect on your course grade. This is because the problem sets are intended to give you practice and confidence in problem solving and exam preparation, without putting on you the additional burden of worrying about grades. As long as you put in a good effort and hand in each problem set in class on the due date, you will earn the full 5% and the re-weighing option for your exams. I will not accept problem sets after class ends on the due date.

For the response papers, you are expected to evaluate the content of an assigned reading, usually a news article or opinion piece taken from a well-known online news source. You are expected to link the arguments, statements and conclusions of the article with the material discussed in class, and assess the merits of this content on the basis of economic theory. The analysis may not be a summary of the article, nor an emotional reaction to it. Each assignment is limited to one page, single-spaced. Any sentences that go beyond one page will be not be read, and therefore, not graded.

Getting help

You are strongly encouraged to meet with me during office hours and attend prefect help sessions to talk about any material that you do not understand clearly. Emily will set up times for prefect help sessions early in the term. However, before meeting with me or with Emily, please make sure you have thoroughly read your notes, the textbook and/or assigned readings. It will be much easier for us to help you if you can point to us exactly why/where you are unclear, so going over your notes first is essential to getting the best help possible. Remember: SMART PEOPLE ASK FOR HELP!
Academic honesty

It is expected that students are familiar with and will abide by the college's academic code of honor in all work related to this course. All homework assignments must be completed by you and only you. Unless explicitly allowed, you may not receive help with assignments from anyone other than me or Emily. For problem sets, you may refer to your class notes and readings only. For the response papers, you may also refer to information on websites. For example, if the assigned reading is from *The New York Times*, you may discover another perspective on the subject in *The Economist*. You may discuss that additional perspective in your analysis, but you must properly cite the article from *The Economist* (title, author, date). Please refer to the following website to learn what constitutes academic dishonesty at Carleton College:
http://apps.carleton.edu/campus/doc/integrity/

Writing center

Response papers are an important learning tool in this course. Each paper is limited to one page, single-spaced, so writing clearly and concisely is important. If you would like to improve your writing skills, please consider meeting with a writing consultant at the Writing Center. You can schedule appointments online at:
http://apps.carleton.edu/campus/asc/writingcenter/

Course outline

**Fundamentals**

**April 1:** Introduction (Ch. 1)

**April 3:** Specialization, comparative advantage, gains from trade (Ch. 2)

**April 8:** Supply and demand, equilibrium prices (Ch. 3, 4)

**April 10:** Policies that interfere with demand and supply: taxes (Ch. 6), elasticity (Ch. 5)

**April 15:** Policies that interfere with demand and supply: subsidies (Ch. 6)

**April 17:** Policies that interfere with demand and supply: price ceilings and floors (Ch. 8)

**Tuesday, April 22: First midterm exam**

**Consumer theory**

**April 24:** Consumer choice, utility maximization (Ch. 23)

**April 29:** Income and substitution effects (Ch. 23)


May 1: Demand curves, Intertemporal decision making (Ch. 23)

**Producer theory**

May 6: Cost curves, profit maximization (Ch. 11)

May 8: Perfect competition (Ch. 11)

May 13: Monopoly, price discrimination (Ch. 13, 14)

May 15: Oligopoly, cartels (Ch. 15)

**Tuesday, May 20: Second midterm exam**

**Other topics**

May 22: Labor markets (Ch. 17)

May 27: Externalities (Ch. 10)

May 29: Public goods (Ch. 18)

June 3: Your topic choice (details to follow)

**Monday, June 9: Final exam (7:00 p.m. – 9:30 p.m.)*

*The final exam has been pre-scheduled by the registrar’s office. No self-scheduling allowed. All exams will be held in our usual classroom (Willis 205).