

Economics 410

Intermediate Theory: Price and Distribution

Fall 2015

Instructor:	Michelle Sheran-Andrews
Email:	sheran@unc.edu
Class Meeting:	TuTh 12:30pm – 1:45pm (Section 001) TuTh 2:00pm – 3:15pm (Section 002)
Classroom:	Global Center 1015
Office Hours:	Mondays 2:30 - 4:00pm, Wednesdays 10:30am - 12:00pm, or by appointment
Office:	200D Gardner Hall
Prerequisite:	MAT 231 or STOR 113

Course Description

The purpose of this course is to explore the foundations of Microeconomic theory, focusing on the behavior of consumers, producers, and the interaction of these agents in the marketplace. The organization of markets and its implications for firm behavior and market equilibrium are also examined. This course is divided into the following three topics:

1. *Consumer theory*: How households make decisions in the face of scarcity and how these decisions vary in response to changes in the economic environment.
2. *Firm theory*: How firms make decisions in the face of scarcity and how these decisions vary in response to changes in the economic environment.
3. *The organization of markets*: How perfectly competitive, monopolistic, monopolistically competitive, and oligopolistic markets are organized and the outcomes of these markets.

The principles covered in this course are building blocks. These building blocks can and will be used in elective courses to analyze many specialized topics. This material cannot be learned passively. A major goal of this course is to teach you to "think" in a manner beyond fact recall. Active thinking and problem solving are essential. *Microeconomic theory is a tool learned best by use!*

Textbook

The recommended textbook is *Microeconomics* by David Besanko and Ronald Braeutigam. You do not have to purchase the most recent version of this textbook.

You might find additional or alternative textbooks helpful in their treatment of the subject matter and the availability of extra problems. If you would like to check-out or purchase a different textbook, most any "Intermediate Microeconomics" textbook will have similar content, and older editions will likely be just as useful as newer additions. In addition, the following books are on 2-hour reserve in the library.

1. *A Short Course in Intermediate Microeconomics with Calculus*, Roberto Serrano
2. *Microeconomics: Theory & Applications with Calculus*, Jeffrey Perloff
3. *Microeconomics: Theory & Applications*, Edgar Browning and Mark Zupan
4. *Microeconomic Theory: Basic Principles and Extensions*, Walter Nicholson
5. *Intermediate Microeconomics and its Application*, Walter Nicholson and Christopher Snyder
6. *Microeconomics: Theory and Applications*, Dominick Salvatore
7. *Price Theory and Applications*, Jack Hirshleifer, Amihai Glazer, and David Hirshleifer
8. *Microeconomics and Behavior*, Robert H. Frank
9. *Microeconomics*, Robert Pindyck and Daniel L. Rubinfeld

Clickers

Each student must bring a TurningTechnologies Clicker to each class (starting on Thursday, August 27), except on exam days. Any of the following TurningTechnologies clicker models can be used in this course.

- ResponseCard RF - Bare bones model
- ResponseCard RF LCD (**recommended**) - Similar to the RF, but includes an LCD screen to verify your input
- ResponseCard XR - Upgraded model that allows numeric entry (which we will not be using)
- ResponseCard NXT - High-end model with all the bells and whistles

You will earn a daily clicker score based on attendance as well as performance on in-class questions. Using a clicker other than your own is a violation of the Honor Code; having another individual use your clicker is a violation of the Honor Code. *You will only get clicker points by attending the section for which you are registered.* **There are no opportunities to make up missed clicker points, and there will be no exceptions to this policy.** In order to allow for illness, technical problems, and other unforeseen circumstances, I will drop 4 days' worth of clicker scores. Your clicker score will then be the average of all remaining daily scores.

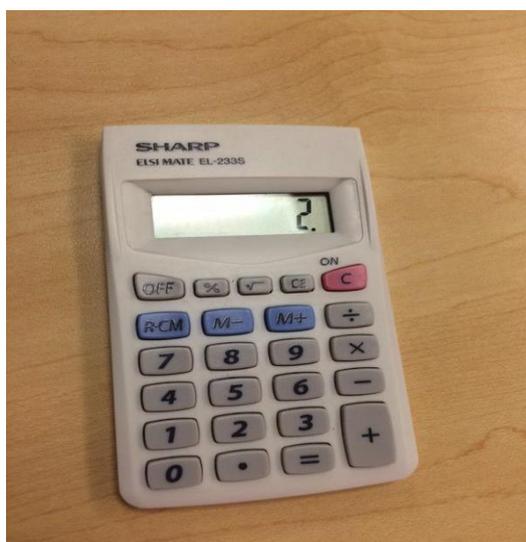
You must register your clicker with TurningTechnologies **prior to August 27th**. Registration instructions are posted on Sakai in the *Course Management* folder under the *Resources* link. If you have any questions regarding clickers or clicker points, email the Head TA at econ410-admin@unc.edu.

Personal Electronic Devices

Unless you have a documented visual, auditory, or learning disability requiring the use of a personal electronic device (and provide me with the supporting paperwork), **all laptop, tablet, smart phone or cell phone usage is prohibited during class.**

Calculators

Only very basic, non-programmable calculators are permitted during exams. If your calculator does not look like the two examples pictured below, it must be approved by me at least 7 days before an exam. *The calculator must obviously appear to be basic and non-programmable.* **NO EXCEPTIONS** will be permitted.



Recitation Sessions and Additional Help Sessions

You are required to register for one recitation session for this course. By registering for a recitation session, you will be assigned to a graduate TA. This graduate TA will be your first email contact for homework and content related questions. Attendance at recitations will not be taken. However, I view recitations as an important part of this course and one in which you will further develop your problem solving skills by working through and discussing problems. *You may attend a recitation other than (or in addition to) the one for which you are registered.*

In addition, undergraduate TA's will offer weekly help sessions. These help sessions are unstructured and completely voluntary. Students may drop in during help sessions for assistance with course content. The dates and times of the help sessions will be announced via Sakai.

Email Correspondence

Administrative Questions - Any question relating to clickers, when and where recitation and/or help sessions are held, what percentage of your grade a certain assignment is, etc. should be sent to the Head TA at econ410-admin@unc.edu.

Concept and Homework Questions - Any question relating to the subject matter of the course or a HW assignment should be first sent to your assigned graduate TA. If you do not get a satisfactory response, you may email me at sheran@unc.edu.

From Monday-Thursday, you should expect a response to your email within 24 hours. From Friday-Sunday and on holidays you should expect a response within 48 hours. Please note if the question is particularly complex, you might be redirected to office hours, a recitation session or a help session. If you send an email and do not get a response in the specified time, please forward your question to the Head TA, as well as the specifics on when and to whom you sent the email. If the Head TA does not respond within 24 hours, send an email directly to me.

Class Conduct

1. Do not talk to your neighbors during class. It distracts the students around you, and it distracts me.
2. Turn your cellphones off, put them away, and do not bring them out during class. If you are expecting an important phone call (job interview, family illness, etc.), please notify me before class.
3. All laptop and tablet usage is prohibited during class unless you have a documented visual, auditory, or learning disability requiring the use of a laptop/tablet and provide me with the supporting paperwork.

I reserve the right to ask you to leave class for the day if you violate any of the above policies.

PowerPoint Slides

PowerPoint slides will be posted on Sakai *before* the material on the slides is covered in class. During class, I will not talk at a pace that allows you time to copy all the material on these slides. Thus, it is imperative that you print out (or copy by hand) these slides in advance. Further note that I will cover material in class that is not on these slides. Therefore, you should not view these slides as a substitute for note taking. I strongly suggest printing the slides out, placing them in a 3 ring binder, and then taking notes from class on the printouts.

Grades

The actual letter grade you earn in this course will be based on a grading scale to be determined *after* the final exam. This scale may or may not resemble the 10-point scale that many of you are used to (*e.g.*, 90-100% is some sort of A, 80-89% is some sort of B, etc...) because I reserve the right to curve. (I will not curve down.) I will provide feedback over the semester on how to interpret your raw homework and exam scores so that you know how you are progressing in the course.

Grade Breakdown/Schedule

Your grade will consist of 4 components. **Please note there is and will be no extra credit in this course.**

Portion	%	Date	Description
Clickers	10%	Daily	For each class, your clicker score will be calculated as the percentage of available clicker points you earn. I will drop your 4 lowest clicker scores and calculate your clicker average based on all remaining clicker scores.
HW	20%	HW#1- 9/8 HW#2- 9/15 HW#3- 9/22 HW#4- 10/20 HW#5- 10/27 HW #6- 11/3 * HW dates are subject to change as necessary.	I will drop your lowest HW score and calculate your HW average based on all remaining HW scores.
2 Midterms	40%	Midterm 1: Tuesday, 9/29 Midterm 2: Tuesday, 11/10	Each midterm will consist of multiple choice and long form questions. The higher of the two midterm grades will comprise 25% of your course average, and the lower of the two midterm grades will comprise 15% of your course average.
Final	30%	Section 001 (12:30 class): Tuesday, 12/8; 12pm-3pm Section 002 (2:00 class): Saturday, 12/5; 12pm-3pm	The final is a cumulative, 33 multiple choice question exam.

Homework

There will be approximately 6 graded homework assignments. Each will have two sections: a long form section consisting of approximately 4 questions and a multiple choice section consisting of 10 questions.

The long-form portion will be graded by a graduate TA. When submitting your homework assignment, you must fill out and include the cover page posted on Sakai. Homework pages **MUST** be stapled together- no paper clips or dog-eared corners allowed. **You will receive a grade of zero on the long form section if your homework assignment is not stapled with the required cover page.** There will be **NO EXCEPTIONS** to this policy.

The multiple choice section will be graded via scantron. Your answers to the multiple choice questions must be submitted on a scantron. You must write and bubble your name and PID on your scantron. **You will receive a grade of zero on the multiple choice section if you do not write and bubble your name and PID on your scantron.** There will be **NO EXCEPTIONS** to this policy.

I will collect homework assignments at the start of class. Homework not turned in within the first 10 minutes of your section's class will be considered late, and **late homework submissions will not be accepted for any reason.** If you anticipate missing class on the day a homework is due, you may have a classmate turn in your assignment or deliver it to me in person before the due date. *I will not accept homework left in my mailbox or slid under my door.*

At 5pm on the day an assignment is due, an answer key will be posted on Sakai. Please review the answer key and ask any questions about this homework at the next scheduled recitation session.

Midterm/Final Exam Policies

There will be no makeup or early exams given for any reason whatsoever. If you miss a midterm and present me with a valid and documented excuse ***in advance***, your one midterm will comprise 30% of your grade and your final exam will comprise 45% of your grade. Valid reasons include a documented medical illness that prevents you from taking the exam, a death in your immediate family, or a documented mandatory court date. If you miss a midterm without a valid and documented excuse in advance you will receive a 0 for that exam.

Per UNC rules, you can only take the Final Exam at an alternative time if you present me with a pink slip from an advisor verifying that you have at least 3 exams in a 24 hour period. If you present me with a pink slip **before the last day of classes**, you can take the final exam with the other section. Each section will receive a different final exam, and you will be eligible only for the curve (if there is one) applied to the section with which you took the final exam. If you miss the Final Exam and do not have an excuse from the Dean, you will receive a score of 0 on your Final.

Each Midterm is exactly 1 hour and 15 minutes. The Final Exam is exactly 3 hours. To ensure each student has the same amount of time, these cutoffs are strict. You must close your exam and put your pencil down when the time has expired. If you are observed writing on or looking at your Midterm/Final after the time limit has passed, you will receive a 10 percentage point penalty for each occurrence.

Regrade Requests

Requests for a regrade must adhere to the following rules:

1. **All regrade requests must be made within 1 week of the day on which the assignment or midterm was returned.** There will be no exceptions to this rule except in extraordinary circumstances.
2. Fill out the Regrade Request Form found on Sakai in the *Course Management* folder under the *Resources* link. Staple the request form to your assignment or midterm and hand it in at the start of class. Please note that there is an element of subjectivity in grading long-form questions. If your regrade request is of a subjective nature ("I think I deserve 8 points and you only gave me 7"), your request will likely be rejected.
3. If you submit a regrade request, I reserve the right to regrade your entire assignment or midterm, which could potentially lower your grade.
4. If your regrade request is rejected and you disagree with the explanation, come see me during my office hours to appeal your request.

Course Outline

1. Math Review (Mathematical Appendix)
2. Consumer Theory
 - a. Budget Constraints (Chapter 4)
 - b. Preferences (Chapter 3)
 - c. Utility (Chapter 3)
 - d. Constrained Utility Maximization (Chapter 4)
 - e. Demand (Chapter 5)
 - f. Elasticity (Chapter 2)
 - g. Income and Substitution Effects (Chapter 5)
 - h. Intertemporal Choice (Chapter 4)
 - i. Uncertainty (Chapter 15)
3. Firm Theory
 - a. Production (Chapter 6)
 - b. Cost (Chapters 7 & 8)
 - c. Cost Minimization (Chapter 7)
 - d. Profit Maximization (Chapter 9)
4. Organization of Markets
 - a. Perfect Competition (9)
 - b. Monopoly (Chapter 11)
 - c. Game Theory (Chapter 14)
 - d. Oligopoly (Chapter 13)

Frequently Asked Questions

"I forgot my clicker today. Can I write down the answers and submit them?"

Due to the difficulty of keeping track of almost 500 potential hand-written submissions, I instead drop 4 days' worth of clicker points. This policy is intended to cover all the reasons you might not have your clicker on a specific day (forgot it, dead battery, missed class, etc.)

"I registered my clicker incorrectly. What should I do?"

Please do not re-register your clicker. Instead, email the Head TA at econ410-admin@unc.edu and include your first name, last name, onyen, pid, and clicker device id.

"My old clicker died and I got a new one. What should I do?"

Please do not register your new clicker. Instead, email the Head TA at econ410-admin@unc.edu and let us know you got a new clicker. Make sure to include your onyen, pid, and new clicker device id.

"Can you tell me if I registered my clicker correctly?"

Due to the size of the class, we cannot verify every clicker. Instead, once a week we will post the clicker scores in Sakai/Post'Em. If you received points for the day, you are registered correctly.

"I was in class today. Why didn't I receive any clicker points?"

Check the following causes, in this order

1. Do you have a valid TurningTechnologies clicker model?
2. Are you clicking correctly? To click a particular response, you only press the desired optioned and nothing else. For instance, if you want to select option 2, you should only press "2". When you do so, the light on your clicker should turn a solid green.
3. When you click in class, does the light turn solid green?
 - a. If yes, then you likely have a registration problem. If you have not registered, do so following the instructions posted on Sakai. If you have registered, email the Head TA and provide as much information as possible.
 - b. If no, but you do see a red light or a blinking red/green light, then you are likely on the wrong channel. Change the Channel to 41. Generally, this is done by hitting "Channel" then "41" then "Channel".
 - c. If no, but you see no light, then you might have a dead battery. The clicker battery can be replaced with a standard watch battery you can find at most drug stores.

If none of these steps have helped (and you are sure you don't have a broken clicker), email the Head TA at econ410-admin@unc.edu and provide as much information as possible.

"I've been using my clicker all semester long but received a 0% for my final grade? What should I do?"

It is extremely important that you verify your clicker scores in Sakai/Post'Em throughout the semester to make sure you are registered correctly, your clicker is working correctly, etc. If you did not and you realize you have no clicker scores at the end of the semester, your first step is to email the Head TA at econ410-admin@unc.edu with your clicker device id to see if it was a registration problem. If it was, we will be able to find your points. If, however, it is not a registration issue (for instance, your clicker was on the wrong channel throughout the year, your battery was dead, etc.), you will unfortunately not be able to receive any points.

"I bubbled in the wrong answers on my Midterm/Final scantron. Can I get partial credit?"

Unfortunately, to ensure fairness and remove subjectivity, we have to be strict on scantron grading. The answers on your scantron are the answers on which your grade is based, regardless of what is written on the test itself.

"My scantron score was lower than I expected. Could you check to see if the scantron machine graded it incorrectly?"

Email me directly and I can manually grade your scantron. Make sure to include your name, section, and onyen. Please note scantron grading issues are very rare.

"Is there extra credit?"

No. The reason I do not offer extra credit is that if everyone knows about it, it's not really extra credit. It's just another assignment, since I incorporate the curve and opportunity for extra credit into the grade scale. If some people don't know about it (for instance, if a specific student asks for extra credit at the end of the semester), then I'm treating my students differently, which I make every attempt to avoid.

"I got an 89.8. Is there anything I can do to raise my grade?"

I completely empathize with this question, as I understand how frustrating it is to be on the cutoff for a particular grade. Unfortunately, however, the answer is no. The reason is twofold. First, I believe selective extra credit leads to an inequality in how I treat different students, which I make every attempt to avoid. Second, with a class of this size, if I move the grade scale down by even 0.1, I am sure to have moved the cutoff up against another student. This once again introduces an element of inequality, as I was willing to move the scale for one student, but not the new student for whom the cutoff now applies.