

**Economics 490-001**  
***Imperfect Markets***  
**Fall 2018**

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<b>Instructor:</b>	Michelle Sheran-Andrews
<b>Email:</b>	sheran@unc.edu
<b>Class Meeting:</b>	MWF 11:15am–12:05pm
<b>Classroom:</b>	Gardner 07
<b>Office Hours:</b>	Mondays 2:00-3:30pm and Tuesdays 9:30-11:00am in the EconAid Center in Gardner 009. These are open office hours for all my students, including ECON 410 students. I use <i>My Digital Hand</i> (instructions posted in the EconAid Center) to organize students into a queue upon arrival. I will also hold an additional office hour once per week for only ECON 490 students on Wednesdays <sup>1</sup> from 3:00-4:00pm in Gardner 200d.
<b>Office:</b>	200D Gardner Hall
<b>Prerequisite:</b>	ECON 410
<b>Website:</b>	<a href="http://sakai.unc.edu">http://sakai.unc.edu</a>

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## 1. Course Description

This course is a continuation of ECON410. While ECON410 dealt with basic price theory and market “successes,” this course will mainly cover market failures. In particular, we will first explore the notion of efficiency and equity in both a partial and general equilibrium framework. We will then add asymmetric information, behavioral economics, externalities, public goods, and market power to models learned in both ECON101 and ECON410 to analyze the effects on economic efficiency.

## 2. Class Expectations

- Regular attendance and participation are expected. If you miss a class, it is your responsibility to get the notes from a classmate and attend office hours or a help session with any questions. **I reserve the right to reduce your overall course grade by 1 percentage point for each class you miss in excess of 4.**
- You should spend a *minimum* of 5 hours per week studying for ECON490 outside of class. Studying “a lot” the week before the exam rarely makes up for not studying enough in the weeks preceding the exam.
- Seek help if you are doing all of the required work and are still having difficulty with the material. I’m here to help you!

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<sup>1</sup> Due to a scheduling issue, Wednesday office hours won’t start until September 26<sup>th</sup>. Until that date, I will be available to only ECON 490 students on Tuesdays from 1-2pm in Gardner 200d.

### 3. Laptops and Cellphones

Cellphones should be silenced or turned off and stored out of sight during class. “Multi-tasking” on your cellphone during class is not conducive to learning and creates a negative externality imposed not only on your classmates but also on me 😊

Laptops are *strongly discouraged*. If you feel that using a laptop is the most effective way for you to take notes, I request that you **sit in one of the two back rows** to avoid distracting your peers. In deciding whether you’d like to use a laptop, please consider the following.

1. In general, note-taking by hand (on paper or a tablet) leads to higher retention than typing notes on a computer. <http://www.theatlantic.com/technology/archive/2014/05/to-remember-a-lecture-better-take-notes-by-hand/361478/>.
2. Multitasking on an electronic device during lectures has been shown to decrease not only the grades of the multitaskers, but also the grades of the people seated around them. <http://www.cbc.ca/news/technology/laptop-use-lowers-student-grades-experiment-shows-1.1401860>

### 4. Resources

#### Textbook

The recommended textbook is either *Microeconomics* by David Besanko and Ronald Braeutigam OR *Microeconomics* by Douglas Bernheim and Michael Whinston. You do NOT have to purchase the most recent version of either textbook.

#### Calculators

Only a non-programmable calculator is permitted during exams.

#### Email Correspondence

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 that you might be redirected to office hours if the question is particularly complex.

#### Accessibility Resources & Service

UNC-Chapel Hill facilitates the implementation of reasonable accommodations for students with learning disabilities, physical disabilities, mental health struggles, chronic medical conditions, temporary disability, or pregnancy complications, all of which can impair student success. Students registered with the Accessibility Resources & Service (ARS) office may take their exams at ARS. Exams taken at ARS must be scheduled 3 full business days prior to the test / exam start time. It is the responsibility of students who take exams at ARS to ensure they do not exceed their allotted time limit. Please note that there will be a 10 percentage point penalty for each 5 minutes over the time limit.

## EconAid Center

The EconAid Center is located in Gardner 009. This is where most of my office hours will be held and where students can work on their assignments individually or in groups. There will also be free ECON 410 peer tutoring during the week for students in need of assistance with prerequisite intermediate microeconomic theory. The EconAid Center is open from 8am to 8pm every weekday. A link to the EconAid's peer tutoring schedule is posted on the *Overview* page of our *Sakai* site.

## 5. Grades

Your course numeric grade will be calculated as the sum of your total points earned divided by 1000. At a minimum, I will follow a traditional 10 point scale, though the letter grade you are assigned will be based on a grading scale to be finalized *after* the final exam. I will provide feedback over the semester on how to interpret your scores so that you know how you are progressing in the course. **Please note there is and will be no extra credit.**

Graded Item	# Assigned	Points Each	Total Points
Reading assignments	10	10	100
Problem Sets	5	30	150
Midterm exams	2	150 (min) & 250 (max)	400
Final Exam	1	350	350
			<b>1000</b>

### Reading Assignments

You will read 10 economics journal articles throughout the semester, and there will be graded reading assignments for each article. You must work individually on these assignments. Reading assignments will be posted on Sakai no later than two class periods before the due date. On a reading assignment's due date, you will submit your answers via Gradescope by 11am. There will be a 5% late penalty applied to all submissions received between 11:00am and 11:15am, and a 20% late penalty applied to all submissions received between 11:15am and 12:00pm. No submissions will be accepted after 12:00pm for any reason. Your reading assignment will be graded 75% on completion and 25% based on correctness of one randomly chosen question.

### Problem Sets

There will be 5 graded problem sets throughout the semester. You are encouraged to work together on these problem sets, but are not allowed to simply divide up the work. Problem sets will be posted on Sakai no later than one week before the due date. On a problem set's due date, you will submit your answers via Gradescope by 11am. There will be a 5% late penalty applied to all submissions received between 11:00am and 11:15am, and a 20% late penalty applied to all submissions received between 11:15am and 12:00pm. No submissions will be accepted after 12:00pm. At 12:05pm on the day an assignment is due, an answer key will be posted on Sakai.

## Midterm and Final Exam Policies

The higher of your two midterm scores will comprise 25% of your course grade, and the lower of the two midterm grades will comprise 15% of your course grade. There will be no makeup or early midterm examinations. If you must miss a midterm, you may be permitted to transfer its weight to the final exam. To qualify for this transfer, you must contact me **before** the start of the exam and present me with an acceptable explanation. You are required to support your explanation with documentation within 2 business days of the exam. Acceptable reasons for missing a midterm include a documented medical illness that prevents you from taking the exam, a death in your immediate family, or a documented mandatory court date.

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 at one of the following two times: 8am on Saturday, December 8 or 8am on Friday, December 14. 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.

## Regrade Requests

All regrade requests must be made through *Gradescope* within 1 week of the date the assignment's grade is posted. There will be no exceptions to this rule except in extraordinary circumstances. Regrade requests will be addressed by the TA who graded the assignment. If you are unsatisfied with how your regrade request is resolved, please then contact me directly either via email or by appointment.

## Course Schedule\*

DATE	TOPIC
Wednesday, August 22	Introduction
Friday, August 24	General equilibrium, Efficiency and Equity
Monday, August 27	General equilibrium, Efficiency and Equity
Wednesday, August 29	General equilibrium, Efficiency and Equity
Friday, August 31	General equilibrium, Efficiency and Equity
Monday, September 3	<b>LABOR DAY- no class</b>
Wednesday, September 5	General equilibrium, Efficiency and Equity
Friday, September 7	General equilibrium, Efficiency and Equity
Monday, September 10	General equilibrium, Efficiency and Equity
Wednesday, September 12	General equilibrium, Efficiency and Equity
Friday, September 14	Behavioral Economics
Monday, September 17	Behavioral Economics
Wednesday, September 19	Behavioral Economics
Friday, September 21	Behavioral Economics
Monday, September 24	Behavioral Economics
Wednesday, September 26	Behavioral Economics
Friday, September 28	Asymmetric Information

Monday, October 1	Asymmetric Information
Wednesday, October 3	<b>Midterm #1</b>
Friday, October 5	Asymmetric Information
Monday, October 8	Asymmetric Information
Wednesday, October 10	Asymmetric Information
Friday, October 12	<b>UNIVERSITY DAY- no class</b>
Monday, October 15	Asymmetric Information
Wednesday, October 17	Asymmetric Information
Friday, October 19	<b>FALL BREAK- no class</b>
Monday, October 22	Asymmetric Information
Wednesday, October 24	Asymmetric Information
Friday, October 26	Externalities and Public Goods
Monday, October 29	Externalities and Public Goods
Wednesday, October 31	Externalities and Public Goods
Friday, November 2	Externalities and Public Goods
Monday, November 5	Externalities and Public Goods
Wednesday, November 7	Externalities and Public Goods
Friday, November 9	Externalities and Public Goods
Monday, November 12	Externalities and Public Goods
Wednesday, November 14	Monopoly and Price Discrimination
Friday, November 16	Monopoly and Price Discrimination
Monday, November 19	<b>Midterm #2</b>
Wednesday, November 21	<b>THANKSGIVING BREAK</b>
Friday, November 23	<b>THANKSGIVING BREAK</b>
Monday, November 26	Monopoly and Price Discrimination
Wednesday, November 28	Monopoly and Price Discrimination
Friday, November 30	Monopoly and Price Discrimination
Monday, December 3	Monopoly and Price Discrimination
Wednesday, December 5	Monopoly and Price Discrimination

\* I reserve the right to modify the schedule as needed.

## *MSA's Top Study Tips*

1. There can be a big difference between understanding something in your head and communicating it in words or applying it to solve problems. An effective way to assess your understanding of the material is to actually try expressing the concepts *out loud*. Put the concepts in your own words and pretend you are teaching them to someone else.
2. Draw the graphs yourself. You will not fully learn the graphs by just looking at them. You should practice drawing the graphs until you can draw them without looking at your notes or book. Moreover, be able to explain what you are drawing.
3. Economics is very difficult to cram. This means you need to keep up to survive and thrive. Schedule study time each week that is designated for this class.
4. Review your lecture notes soon after class so you can fill in holes while you still remember the lecture. This will also help you get the concepts into your head and has a much higher payback than most students realize.
5. Try skimming a chapter before lecture so you will be familiar with the general idea of what is coming. After class, go back and selectively read the chapter for deeper understanding. Take notes from your textbook within your class notes.
6. Economics is one of those subjects that you learn by doing not by just hearing. It can be easy to sit in lecture or read the textbook and go “yeah, yeah” and think you know it, but can be another thing to actually *apply* the material to problems. Don't wait until the exam to see what you can and cannot apply. The more you practice, the more you will learn and the better you will do in this class.
7. Learn from the practice and homework problems. For each problem, identify the concepts covered and the main point of the question. Then find similar practice and homework problems so you can reinforce these concepts and see different ways in which questions on the same topic can be written.
8. Make a serious effort to complete every homework problem independently. Do not give up on a problem after your first attempt! Work for your “aha!” moment. Often true understanding comes after struggling on problems.

9. After the due date for a homework assignment passes and the answers are available, identify which questions you got wrong and learn from your mistakes. Use the homework as a tool to help you identify your weaknesses and put more effort into learning that specific material. If you find that there are multiple problems you missed on homework assignments then try to find a pattern.
10. Rework questions. Don't just answer the questions correctly, but determine exactly why the correct answer is correct, why the incorrect answers are incorrect, and feel comfortable that you could teach this to another student. If you're not 100% sure of a question inside and out, you're not quite there yet.
11. For each question, identify the underlying concepts. Review these concepts and practice explaining them in your own words. Pick each problem apart, treating it as an opportunity for learning and applying the material.
12. Create new problems from existing problems. Compare and contrast similar problems. Anticipate new questions based on existing questions. Part of becoming a good test taker is learning to anticipate what's on the test. Prepare enough so that if an existing problem is modified or multiple problems are combined you are not thrown off.
13. Get adequate sleep the night before the exam. Your brain works best when well rested.