

Economics 415: *Market Failures*

Summer 2021

Instructor:	Michelle Sheran-Andrews sheran@unc.edu
Class Meetings:	Monday-Friday 9:45-11:15 am via Zoom (password=415)
Office Hours:	TBD via Zoom (password=415)
Prerequisite:	ECON 410 with a grade of C or better
Website:	http://sakai.unc.edu
Zoom room:	https://unc.zoom.us/j/95157063400?pwd=ODVmYnZjbHhINy8zNncydkt1NWp0Zz09

Class 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. We will first explore the notion of efficiency in both a partial and general equilibrium framework. We will then add behavioral economics, asymmetric information, externalities, public goods, and market power to models learned in both ECON101 and ECON410 to analyze the effects on economic efficiency.

Class Required Resources

1. **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.
2. **Gradescope:** You will submit most of your graded work to *Gradescope* (<https://www.gradescope.com/>). I will register you for Gradescope using your official UNC email address as listed on Connect Carolina.
3. **Poll Everywhere:** We will occasionally use *Poll Everywhere* for online polling in class. For more information, visit <https://poll.unc.edu/>.
4. **Technology:** You are required to have access to high-speed internet and a computer with a webcam, particularly during quizzes and the final exam, which will be proctored. We will use *Zoom* (<https://software.sites.unc.edu/zoom/>) for class meetings and office hours.

Class Grades

Component	% Course Grade
Class Participation	10
Homework	15
Reading Assignments	15
Quizzes	30
Final Exam	30

- Class Participation:** This is a class based on collaborative discourse. As such, you are required to participate in and contribute to the class. Your class participation grade will be based on

 - Attendance: Your attendance score will be the percentage of classes you attend. You must be logged into Zoom for at least 75 minutes to be counted as present. You can miss up to 3 classes without penalty.
 - Group work: Your group work score will be based upon both your group's performance on group work assignments and peer evaluations.
 - Engagement plus contribution: Your class engagement and contribution score will be determined based on the rubric below. Note that you can engage in and contribute to the class in a variety of ways! You can ask and/or answer questions in class either verbally or via the chat board. You can have your camera on. You can attend office hours to ask questions or discuss the material. You can send me an email with a short critical evaluation of a particular example of a market failure or an article/podcast/blog related to the class. Let me know if you have any other ideas!

Score	Description
A	Readily makes thoughtful contributions without dominating the discussion. Contributions advance the conversation and add value.
B	Makes thoughtful comments when prompted but only contributes occasionally without prompting. Or, contributes frequently but contributions are sometimes tangentially related and do not advance the conversation.
C	Does not voluntarily contribute to the class and contribution is only minimal when prompted.
D	Participates in discussion but in a problematic way. Talks too much, makes rambling or tangential contributions, and/or continually interrupts the instructor with digressive questions.
F	Does not contribute at all.

2. **Homework:** There will be ~ daily homework assignments, which you will submit to Gradescope before the next class. Your 3 lowest scores will be dropped at the end of the session before I calculate your homework average.
3. **Reading Assignments:** There will be 7 reading assignments, which you will submit to *Gradescope* according to the schedule posted below. Your lowest score will be dropped at the end of the session before I calculate your reading assignment average.
4. **Quizzes:** There will be 5 in-class quizzes, one at the end of each Module according to the schedule below. You will be proctored during quizzes; you must be on Zoom with your camera on. I will drop your lowest quiz score before calculating your quiz average.
5. **Final Exam:** The cumulative final exam is Wednesday, June 23 from 8-11am. You will be proctored during quizzes; you must be on Zoom with your camera on.

Course letter grades will be assigned based on the following schedule.

A	93 and above
A-	90 – 92
B+	87 – 89
B	83 – 86
B-	80 – 82
C+	77 – 79
C	73 – 76
C-	70 – 72
D+	67 – 70
D	60 – 66
F	< 60

Class Expectations

1. Regular class attendance is expected! If you miss a class, you are encouraged to watch the class recording and follow up with me if you have any questions. However, you cannot get credit for a class asynchronously. You can miss 3 classes without penalty.
2. I strongly encourage you to have your cameras on during class! (Please 😊) There are positive externalities in doing so that benefit us all. I will strive to create an inclusive environment in which all students feel comfortable participating and asking questions. You are also welcomed and encouraged to participate via Zoom chat.
3. My expectation is that you spend between 3 and 5 hours per day on this class outside of class.

Class Policies

- Late and/or Makeup Policy:** All due dates are firm, and no extensions or makeups will be given. I completely understand and empathize with the fact that sometimes health and/or personal/family emergencies take priority. Furthermore, sometimes your internet crashes, your computer gets a virus, you get the assignment done early but then forget to submit it... It is for all these reasons and more that I have built in at least one drop for each component of the class (except the final exam). These drops are meant to cover these “life events,” and so I do not additionally accept late assignments or provide makeups. Making exceptions to this policy for students on a case-by-case basis leads to inequities in how students are assessed, and this is something I work hard to avoid. I know of no better way to treat students fairly and equally than by applying the same standards and policies to all. With that being said, I do make exceptions **in the case of a severe and ongoing issue** (i.e. where you must miss a week or more of classes). Please contact the [Office of the Dean of Students](#) and then communicate with me as soon as possible so that we can work out a plan for you together.
- Regrade Requests:** All regrade requests must be made within 3 days after an assignment’s grade is posted. Regrade requests for quizzes, homework and reading assignments should be made via Gradescope. Regrade requests for class participation should be emailed to me directly at sheran@unc.edu.
- Extra Credit:** I do not offer extra credit. This is because if everyone knows about it, it's not really extra credit. It's just another assignment. 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.
- Accessibility Resources & Service (ARS):** The University of North Carolina at Chapel Hill facilitates the implementation of reasonable accommodations, including resources and services, for students with disabilities, chronic medical conditions, a temporary disability or pregnancy complications resulting in barriers to fully accessing University courses, programs and activities. Accommodations are determined through the Office of Accessibility Resources and Service (ARS) for individuals with documented qualifying disabilities in accordance with applicable state and federal laws. See the ARS Website for contact information: <https://ars.unc.edu> or email ars@unc.edu.

Students registered through ARS should send me an email with their accommodations through the ARS portal. I will contact those who receive extended time on exams before the first quiz to coordinate. For all other accommodations of which I should be aware, please email me at sheran@unc.edu to discuss!
- Counseling and Psychological Services (CAPS):** CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

6. **Title IX Resources:** Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.
7. **Honor Code:** Students are bound by the Honor Code in taking exams and in written work. The Honor Code of the University is in effect at all times, and the submission of work signifies understanding and acceptance of those requirements. Plagiarism will not be tolerated. Please consult with me if you have any questions about the Honor Code.
8. **Syllabus Changes:** I reserve the right to make changes to the syllabus, including due dates and quiz dates. These changes will be announced as early as possible.

Class Schedule

Date	Topic	Assignment Due Date
Wednesday, May 19	<u>General equilibrium, Efficiency and Equity (Chapter 16)</u>	
Thursday, May 20	<u>General equilibrium, Efficiency and Equity (Chapter 16)</u>	
Friday, May 21	<u>General equilibrium, Efficiency and Equity (Chapter 16)</u>	Reading Assignment #1
Monday, May 24	<u>General equilibrium, Efficiency and Equity (Chapter 16)</u>	
Tuesday, May 25	<u>Behavioral Economics (Chapter 13)</u>	Quiz 1
Wednesday, May 26	<u>Behavioral Economics (Chapter 13)</u>	
Thursday, May 27	<u>Behavioral Economics (Chapter 13)</u>	
Friday, May 28	<u>Behavioral Economics (Chapter 13)</u>	Reading Assignment #2
Monday, May 31	<u>Memorial Day- no class</u>	
Tuesday, June 1	<u>Asymmetric Information (Chapter 21)</u>	Quiz 2
Wednesday, June 2	<u>Asymmetric Information (Chapter 21)</u>	
Thursday, June 3	<u>Asymmetric Information (Chapter 21)</u>	Reading Assignment #3
Friday, June 4	<u>Asymmetric Information (Chapter 21)</u>	Reading Assignment #4
Monday, June 7	<u>Asymmetric Information (Chapter 21)</u>	
Tuesday, June 8	<u>Externalities and Public Goods (Chapter 20)</u>	Quiz 3
Wednesday, June 9	<u>Externalities and Public Goods (Chapter 20)</u>	
Thursday, June 10	<u>Externalities and Public Goods (Chapter 20)</u>	Reading Assignment #5
Friday, June 11	<u>Externalities and Public Goods (Chapter 20)</u>	
Monday, June 14	<u>Externalities and Public Goods (Chapter 20)</u>	
Tuesday, June 15	<u>Monopoly and Price Discrimination (Chapters 17 and 18)</u>	Quiz 4
Wednesday, June 16	<u>Monopoly and Price Discrimination (Chapters 17 and 18)</u>	Reading Assignment #6
Thursday, June 17	<u>Monopoly and Price Discrimination (Chapters 17 and 18)</u>	
Friday, June 18	<u>Monopoly and Price Discrimination (Chapters 17 and 18)</u>	Reading Assignment #7
Monday, June 21	<u>Monopoly and Price Discrimination (Chapters 17 and 18)</u>	Quiz 5
Wednesday, June 23	<u>Final Exam 8:00 – 11:00 am</u>	