

Economics 415: *Market Failures* Fall 2023

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Class Meetings:	<i>Section 01</i> TR 12:30-1:45pm <i>Section 02</i> TR 2:00pm–3:15pm	
Classroom:	309 Gardner Hall	
Prerequisites:	ECON 410	
Website:	https://edtech.unc.edu/service/canvas/	
Credit Hours:	3 credits	
Office Hours:	Posted on the homepage of our ECON415 Canvas site.	

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 analyze the effects on economic efficiency of “market failures” such as market power, externalities, public goods, asymmetric information, and irrationality. This is an elective course for Economics majors that involves the practical application of microeconomic theory and builds critical thinking and problem-solving skills.

Required Resources

1. **Textbook:** The required textbook is *Microeconomics* by Douglas Bernheim and Michael Whinston. I will assign readings based on the 2nd edition.
2. **Gradescope:** You will submit assignments to [Gradescope](#). I will register you for Gradescope using your official UNC email address as listed on Connect Carolina.
3. **Poll Everywhere:** We will use *Poll Everywhere* for online polling in class. You can log in at either polleverywhere.com or by using the Poll Everywhere mobile app. With either method, you must enter your official UNC-CH email address, select the Single Sign-On link, and then enter your Onyen and password. For more information, visit <https://poll.unc.edu/>.
4. **Feedback Fruits:** We will (likely) use [Feedback Fruits](#) to support the peer review of your Real-World Application assignments. More information will be provided in class.

Grades

Component ¹	% Course Grade
Guided Media Questions	10
Problem Sets	20
Real-World Applications Assignment	10
Polls	5
Quizzes	30
Final	25

1. **Guided Media Questions (Pregaming):** Designed to prepare you for class by gaining a foundational understanding of the subject matter through readings, videos, and/or podcasts. Graded on a 3-point rubric (posted on page 7 of this syllabus) and usually due by midnight on Mondays.
2. **Problem Sets (Practicing):** Designed to reinforce and practice the concepts covered in class and develop problem-solving and critical thinking skills. Graded on a 5-point rubric (posted on page 8 of this syllabus) and usually due by midnight on Fridays.
3. **Real-World Applications Assignment (Applying):** Designed to cultivate a practical understanding of economic theory by identifying and analyzing instances of market failures in real-world contexts. More information will be provided in class and posted on Sakai.
4. **Polls (Assessing):** Designed to provide valuable feedback to students and instructor alike on the understanding of key concepts and problems during class. Graded on a 2-point rubric (posted on page 7 of this syllabus).
5. **Quizzes (Assessing):** Non-cumulative, summative assessments designed to evaluate mastery of the course content at the end of each module. Administered during the first 45 minutes of class; see page 6 of this syllabus for (tentative) dates. Graded based on a customized rubric, which will be shared once a quiz is graded.
6. **Final Exam (Assessing):** Cumulative, summative assessment designed to evaluate mastery of the course content across all modules. Administered in our classroom (see page 6 for dates) and graded based on a customized rubric available upon request once all final exams are graded. Per UNC rules, you can only take the final exam at an alternative time if you present me an official exam excuse (<https://advising.unc.edu/announcement/final-exam-excuse-request/>). If you do have an official exam excuse, you can take the final exam with the other section.

¹ For each component, except the Real-World Applications Assignment and Final Exam, I will drop the lowest 20% before calculating the average.

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

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

Policies

1. **Attendance:** As stated in the University’s [Class Attendance Policy](#), no right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:
 - Authorized University activities: [University Approved Absence Office \(UAAO\) website](#) provides information and [FAQs for students](#) and [FAQs for faculty](#) related to University Approved Absences
 - Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office \(EOC\)](#)
 - Significant health conditions and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office \(EOC\)](#).

Classes will not be recorded. If you miss a class, it is your responsibility to get the notes from a classmate and attend office hours with any questions. Keep in mind that while my PowerPoint slides are posted on Sakai, much of the material covered in class is not on these slides.

2. **Makeup Policy for Polls:** I understand that sometimes it’s rational to miss class. That’s largely why I drop the lowest 20% of your poll scores. These drops are meant to cover all “life events,” and so I do not allow makeups unless you have a University Approved Absence (see #1).
3. **Makeup Policy for Quizzes:** I will drop your lowest quiz score. Makeup quizzes will be given if you have a University Approved Absence (see #1). In situations when an absence is not University approved (e.g., a job interview, illness/flu, or club activity), email me in advance of the quiz and be prepared to provide documentation. I will make decisions about missed quizzes for absences that do not fall within university approved absences on a case-by-case basis. Students will be asked to use their dropped quiz in cases where they can reasonably avoid missing the quiz.

4. **Makeup Policy for Guided Media Questions and Problem Sets:** I understand and sincerely 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 drop the lowest 20% of your Guided Media Questions and the lowest 20% of your Problem Sets. These drops are meant to cover all “life events,” and so I do not additionally accept late assignments or provide makeups.



I do make exceptions **in the case of a severe and ongoing issue** where you must miss a week or more of classes. In these cases, please email me class so that we can work out a plan for you together.

5. **Regrade Requests:** All regrade requests must be made within one week after an assignment’s grade is posted. Regrade requests for assignments graded via Gradescope should be made via Gradescope. 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 via email at sheran@unc.edu.
6. **Honor Code:** All students are expected to follow the guidelines of the UNC Honor Code. In particular, students are expected to refrain from “lying, cheating, or stealing” in the academic context. If you are unsure about which actions violate the Honor Code, please see me or consult studentconduct.unc.edu.

While you are encouraged to work with your classmates on problem sets, sharing answers via group chat, using previous semesters’ materials, and using AI (unless directed to) are all violations of the Honor Code. Additionally, you are expected to attempt each problem at least once before seeking help, and you must submit your own answers.

7. **Accessibility Resources and Service:** Accessibility Resources and Service (ARS – ars@unc.edu) receives requests for accommodations, and through the Student and Applicant Accommodations Policy determines eligibility and identifies reasonable accommodations for students with disabilities and/or chronic medical conditions to mitigate or remove the barriers experienced in accessing University courses, programs and activities. ARS also offers its Testing Center resources to students and instructors to facilitate the implementation of testing accommodations.

Are you registered with ARS? If so, I’m happy to work with you! Email your accommodations to me through the ARS portal at least one week before the first quiz. If you have any questions or would like to discuss your accommodations, please email me directly at sheran@unc.edu.

8. **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.

9. **Syllabus Changes:** I reserve the right to make changes to this syllabus including quiz dates. These changes will be announced as early as possible.
10. **Counseling and Psychological Services:** UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The [Heels Care Network](#) website is a place to access the many mental health resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to their website <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.
11. **Title IX and Related 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. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/> or by contacting the University's Title IX Coordinator (Elizabeth Hall, titleixcoordinator@unc.edu) or the Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu). Confidential resources include Counseling and Psychological Services and the Gender Violence Services Coordinators (gvsc@unc.edu). Additional resources are available at safe.unc.edu.
12. **Policy on Non-Discrimination:** The University is committed to providing an inclusive and welcoming environment for all members of our community and to ensuring that educational and employment decisions are based on individuals' abilities and qualifications. Consistent with this principle and applicable laws, the University's [Policy Statement on Non-Discrimination](#) offers access to its educational programs and activities as well as employment terms and conditions without respect to race, color, gender, national origin, age, religion, genetic information, disability, veteran's status, sexual orientation, gender identity or gender expression. Such a policy ensures that only relevant factors are considered, and that equitable and consistent standards of conduct and performance are applied. If you are experiencing harassment or discrimination, you can seek assistance and file a report through the Report and Response Coordinators (email reportandresponse@unc.edu or see additional contact info at safe.unc.edu) or the Equal Opportunity and Compliance Office at <https://eoc.unc.edu/report-an-incident/>.
13. **Learning Center:** Want to get the most out of this course or others this semester? Visit UNC's Learning Center at <http://learningcenter.unc.edu> to make an appointment or register for an event. Their free, popular programs will help you optimize your academic performance. Try academic coaching, peer tutoring, STEM support, ADHD/LD services, workshops and study camps, or review tips and tools available on the website.
14. **Writing Center:** For free feedback on any course writing projects, check out UNC's Writing Center. Writing Center coaches can assist with any writing project, including multimedia projects and application essays, at any stage of the writing process. You don't even need a draft to come visit. To schedule a 45-minute appointment, review quick tips, or request written feedback online, visit <http://writingcenter.unc.edu>.

Schedule

Date	Topic
Tuesday, Aug. 22	General equilibrium, Efficiency and Equity
Thursday, Aug. 24	General equilibrium, Efficiency and Equity
Tuesday, Aug. 29	General equilibrium, Efficiency and Equity
Thursday, Aug. 31	General equilibrium, Efficiency and Equity
Tuesday, Sept. 5	Well-being Day
Thursday, Sept. 7	General equilibrium, Efficiency and Equity
Tuesday, Sept. 12	Monopoly and Price Discrimination
Thursday, Sept. 14	Quiz 1
Tuesday, Sept. 19	Monopoly and Price Discrimination
Thursday, Sept. 21	Monopoly and Price Discrimination
Tuesday, Sept. 26	Monopoly and Price Discrimination
Thursday, Sept. 28	Monopoly and Price Discrimination
Tuesday, Oct. 3	Externalities and Public Goods
Thursday, Oct. 5	Quiz 2
Tuesday, Oct. 10	Externalities and Public Goods
Thursday, Oct. 12	Externalities and Public Goods
Tuesday, Oct. 17	Externalities and Public Goods
Thursday, Oct. 19	Fall Break
Tuesday, Oct. 24	Externalities and Public Goods
Thursday, Oct. 26	Asymmetric Information
Tuesday, Oct. 31	Quiz 3
Thursday, Nov. 2	Asymmetric Information
Tuesday, Nov. 7	Asymmetric Information
Thursday, Nov. 9	Asymmetric Information
Tuesday, Nov. 14	Asymmetric Information
Thursday, Nov. 16	Behavioral Economics
Tuesday, Nov. 21	Quiz 4
Thursday, Nov. 23	Thanksgiving Break
Tuesday, Nov. 28	Behavioral Economics
Thursday, Nov. 30	Behavioral Economics
Tuesday, Dec. 5	Behavioral Economics
Friday, Dec. 8	Final Exam Section 01 12:00-3:00pm
Tuesday, Dec. 12	Final Exam Section 02 12:00-3:00pm

Grading Rubrics

2-Point Grading Rubric for Polls

- **2 Points- Exemplary (100%):** Answers poll correctly.
- **1 Point- Developing (80%):** Answers poll incorrectly.
- **0 Points- Not Yet Demonstrated (0%):** No response provided.

3-Point Grading Rubric for Pregaming Assignments

3 Points – Exemplary (100%)

- Demonstrates a comprehensive and accurate understanding of the material.
- Provides well-supported responses with relevant examples or evidence when appropriate.
- Demonstrates critical thinking by analyzing and synthesizing information from the text.
- Addresses all aspects of the question or task with depth and insight.
- Response goes beyond surface-level understanding, showing connections between ideas or themes.

2 Points – Proficient (85%)

- Response shows a basic understanding of the text but lacks depth or thoroughness.
- Includes some relevant details from the reading to support the answer.
- Limited critical thinking evident; response may describe events without much analysis or insight.
- May exhibit minor inaccuracies or omissions in the response.

1 Point – Limited (70%)

- Response reflects a weak or unclear understanding of the text.
- Offers minimal relevant information from the reading to support the answer.
- Lacks critical thinking and meaningful engagement with the text.
- Contains significant inaccuracies or misconceptions.

0 Point - Not Yet Demonstrated (0%)

- No response provided.
- Answers entirely incorrect or irrelevant.

5-Point Grading Rubric for Problem Sets

5 Points – Exemplary (100%)

- Accurately solves all problems, demonstrating a deep understanding of the concepts.
- Provides clear, step-by-step solutions with appropriate mathematical reasoning.
- Addresses all aspects of multi-part problems thoroughly and accurately.
- Achieves a high level of accuracy in calculations and shows advanced understanding of mathematical relationships.

4 Points – Proficient (90%)

- Accurately solves most problems, indicating a strong grasp of the concepts.
- Provides well-structured solutions with clear mathematical reasoning.
- Addresses all aspects of multi-part problems competently.
- Achieves a good level of accuracy in calculations and shows strong understanding of mathematical relationships.

3 Points – Developing (80%)

- Solves problems with a satisfactory level of accuracy, showcasing a basic understanding of the concepts.
- Provides solutions with adequate mathematical reasoning, though some steps may be missing or unclear.
- Addresses most aspects of multi-part problems, but with some gaps.
- Achieves a reasonable level of accuracy in calculations and displays a foundational understanding of mathematical relationships.

2 Points – Partial (70%)

- Solves problems with limited accuracy, indicating a partial understanding of the concepts.
- Provides solutions with minimal or unclear mathematical reasoning.
- Addresses only some aspects of multi-part problems, with notable omissions.
- Achieves a limited level of accuracy in calculations and displays only basic familiarity with mathematical relationships.

1 Point – Limited (60%)

- Solves problems with major inaccuracies, suggesting a weak understanding of the concepts.
- Provides solutions with very limited or no mathematical reasoning.
- Addresses only a small portion of multi-part problems or provides severely incomplete responses.
- Achieves very limited accuracy in calculations and lacks understanding of mathematical relationships.

0 Points - Not Yet Demonstrated (0%)

- No response provided.
- Solutions are entirely incorrect or irrelevant.