

**William & Mary
Principles of Microeconomics
Syllabus**

ECON 101
Fall 2018
Mon., Wed., Fri.
Section 03: 9:00 - 9:50 am
in Tucker Hall 127A
Section 04: 10:00 - 10:50 am
in Tucker Hall 127A

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Course description and objectives

This course is for any student and has no pre-requisites. It also carries the Cultures, Societies, and the Individual (CSI) knowledge domain attribute for the COLL curriculum.

The principles of microeconomics will help you make decisions and understand what goes on in the world we observe. We will study the behavior of individual people, business firms, and governments. We will also study how the interactions among those actors induce observed social phenomena such as production, prices, taxes, government regulation, and employment. The tools in this course are also useful in dating, raising children, planning vacations, and eating out. They will help you get a job after college.

The objective of the course is to enable students to think like economists when they want to. This includes identifying and weighing costs against benefits in making a choice, recognizing the incentives facing others, knowing the virtues of the market system, and knowing the weaknesses of the market system.

Poll Everywhere and in-class quizzes

We will use a student response system called Poll Everywhere in class to complement lectures and facilitate quizzes. Please bring a smart phone, tablet, laptop, or other web-capable device to every class. If you use an Apple or Android device, please download the free Poll Everywhere app (not required, but it'll be convenient).

Please use the URL below for information about registering for an account and associating your account with my class.

<http://www.wm.edu/offices/it/services/academicsupport/studentresponsesystem/index.php>

There is no fee associated with your student Poll Everywhere account; however, you must log-in with your W&M e-mail and password by selecting the "SSO" option at log-in. If you need assistance setting up your device to work on the W&M wireless network, please navigate to the IT help page: <http://www.wm.edu/offices/it/gethelp/index.php>

Most polls in class will be informal and ungraded. Some will be formal and graded. I plan to have formal in-class quizzes on Poll Everywhere beginning on September 10. Formal in-class quizzes will account for 4 percent of the course grade. In-class quizzes are not listed on the course schedule but will occur frequently. They make attendance in class count toward your grade. Instead of getting no credit for a missed in-class quiz, a student will receive her or his final exam score in its place. This is a way to give students a make-up opportunity for missing in-class polls that are graded.

Online lessons and quizzes

Four William & Mary economists (including me) prepared online lessons for you. Your homework will include working through those lessons and taking a quiz at the end of each one. The online lessons are interactive, hopefully interesting, and maybe even fun. They help you discover economic concepts *before* we talk about them in class. So this isn't just online regurgitation homework: it's a learning opportunity.

The online lessons are on a platform called Smart Sparrow. Links to lessons are available at our Blackboard course site (blackboard.wm.edu/). Once you register for the course, you'll have access to course material on the Blackboard site. The first time you click on a link to a Smart Sparrow online lesson, you'll be asked to pay \$10. That gives you access to Smart Sparrow lessons and quizzes for the full semester (you only pay once for ECON 101). There is no required textbook for our course, and this \$10 is the only required payment. Please access Smart Sparrow lessons only through our Blackboard course site; that will ensure that your Smart Sparrow payment and work get appropriately linked with ECON 101.

There are seven online lessons spread through the semester. Links to the lessons will open on Blackboard several days before their subjects come up in class meetings. You should complete each lesson and its associated quiz by 11:45 pm on the due date (the day before the material becomes relevant for a class meeting). Quizzes at the end of online lessons count toward your final grade. Specific online lesson titles and due dates are:

<i>Online lesson</i>	<i>Due date (by 11:45 pm)</i>
1. Supply & Demand	Sept. 9 (Sunday)
2. Elasticity	Sept. 18 (Tuesday)
3. Efficiency in a Market	Sept. 25 (Tuesday)
4. Taxation	Oct. 2 (Tuesday)
5. Common Resources	Oct. 11 (Thursday)
6. Production & Costs	Oct. 30 (Tuesday)
7. Insurance Markets	Dec. 4 (Tuesday)

Examinations

The course includes three midterm exams and a final exam. See the schedule below for their dates. ***There will be no alternative dates for missed midterm exams (make-up exams). Missing an exam earns a zero for that exam.*** If you are involved in activities with trips (e.g., sports, choir, Model UN), please check your personal schedule against the exams in the course schedule below.

I will replace a student's lowest midterm exam score with his or her final exam score if the final is better than the midterm. If the final exam score is lower than the lowest midterm score, then I won't make a replacement. This policy provides a way to miss a midterm exam if necessary without reducing the course grade. It is also an insurance policy to shield students from single disappointing midterm exam performances.

A student who has already missed a midterm exam and misses another may be exempted from the latter exam in extenuating circumstances. These include severe illness and participation in College-sanctioned events that preclude taking the exam. Students pursuing such an exemption should discuss the situation with Prof. McHenry prior to the exam if at all possible and must provide documentation of the conflict.

The final exam is cumulative and mandatory. Make-up final exams will be available only in extraordinary circumstances with documentation from the dean of students office.

If you are eligible for accommodations on exams, please contact Student Accessibility Services as soon as possible. They will help develop and implement a plan for exams. This is a student responsibility, not a professor responsibility. If this applies to you, please begin the process weeks before the first exam (which is on September 24).

Course requirements

Formal quizzes in class (Poll Everywhere)	4%
Midterm exams (3 of them, 20% each)	60%
Final exam	28%
Online lesson quizzes (Blackboard & Smart Sparrow)	<u>8%</u>
	100%

Grading standards

Letter grades for the course will be based on a standard 100-point scale where 93-100 implies an A, 90-92 implies an A-, 88-89 implies a B+, 83-87 implies a B, and so on. I will adjust exam grades up if the class median is low. In particular, I will increase all scores uniformly until the median is at least 82 (B-), except that the maximum score increase is 10 points. I will not adjust scores downward if the median is high.

Office hours and other access to the instructor

I will be available in my office (Tyler 256) from 1:30 pm to 2:30 pm each Monday, Wednesday, and Thursday during the semester (except Thanksgiving week). *You do not need to schedule an appointment to meet with me during office hours. Just come.* Please send me e-mail if you want to schedule a meeting outside of those times.

Honor Code

I encourage you to collaborate in your studies and discussion of economics this semester. However, graded homework assignments and all exam work should be completed without the aid of other students. Furthermore, students will not be allowed to refer to outside sources during exams. I consider the use of unauthorized aid on a graded homework assignment or exam to be a violation of the Honor Code.

Songs

My family is full of musicians. We've enjoyed finding music about economics. Before class meetings, I'll play a song about the day's topic. If you're interested, look for the list of songs at Spotify:

<https://open.spotify.com/user/petermchenry/playlist/1BvBP2NnGFDOp7Wm6g3BOL>.

Textbooks

You can succeed in this course without owning (or renting) a textbook. I make plenty of study and practice material available through the semester. However, some students do better with a textbook to follow and use for reference. If that's you, I recommend *Principles of Microeconomics* by Greg Mankiw. There is a seventh edition of the book, but I'm sure that a fourth or later edition would be equally helpful. If I were in your shoes, I'd buy a used copy. I just found used sixth editions for about \$20 at half.com. Most introductory microeconomics

textbooks cover the same material, and I think you would do equally well with any of the major options (e.g., Krugman and Wells; Hubbard and O'Brien; Case, Fair, and Oster).

If you want to order a textbook, I suggest that you do so online. I did not reserve books for you to purchase at the William & Mary Bookstore.

Schedule

(assignments in **bold** font; all chapters refer to the Mankiw textbook)

Part I. Economic principles and the analysis of markets

Wed. 8/29 Introduction to economic thinking (Chapter 2)

Fri. 8/31 Political and economic institutions

Mon. 9/3 Principles of microeconomics (Chapter 1)

Wed. 9/5 William & Mary Mercantile Exchange

Fri. 9/7 *[CLASS CANCELED]*

Add/Drop period ends

Sun. 9/9 Supply & Demand online lesson quiz due 11:45 pm

Mon. 9/10 Demand (Chapter 4)

Wed. 9/12 Supply (Chapter 4)

Fri. 9/14 Market equilibrium (Chapter 4)

Mon. 9/17 Applications of market demand, supply, and equilibrium

Tues. 9/18 Elasticity online lesson quiz due 11:45 pm

Wed. 9/19 Elasticity (Chapter 5)

Fri. 9/21 Review

Sun. 9/23 Supplemental review session, 6:30-7:30 pm, Small Hall 110 (NOTE LOCATION)

Mon. 9/24 Midterm exam 1

Part II. Market efficiency, market failure, and government activity

Tues. 9/25 Efficiency in a Market online lesson quiz due 11:45 pm

Wed. 9/26 Consumer surplus and producer surplus (Chapter 7)

Fri. 9/28 Efficiency and critiques of the market allocation (Chapter 7)

Mon. 10/1 Price controls (Chapter 6)

Tues. 10/2 Taxation online lesson quiz due 11:45 pm

Wed. 10/3 Taxation (Chapters 8 and 12)

Fri. 10/5 Costs of taxation (Chapters 8 and 12)

Mon. 10/8 Externalities (Chapter 10)

Wed. 10/10 Public goods (Chapter 11)

Thurs. 10/11 Common Resources online lesson quiz due 11:45 pm

Fri. 10/12 Common resources (Chapter 11)

FALL BREAK

Wed. 10/17 Review
Thurs. 10/18 *Supplemental review session, 6:30-7:30 pm, Small Hall 110 (NOTE LOCATION)*
Fri. 10/19 **Midterm exam 2**

Part III. Behavior and interactions of individual people and business firms

Mon. 10/22 Consumer theory: Models and preferences (Chapter 21)
Wed. 10/24 Consumer theory: Budget constraints and optimization (Chapter 21)
Fri. 10/26 Consumer theory: Optimization with changing income and prices (Chapter 21)
Last day to withdraw

Mon. 10/29 Consumer theory: Optimization with changing income and prices (Chapter 21)
Tues. 10/30 Production & Costs online lesson quiz due 11:45 pm
Wed. 10/31 Costs of production (Chapter 13)
Fri. 11/2 Firms maximizing profits (Chapter 14)

Mon. 11/5 Supply curve in a competitive market (Chapter 14)
Wed. 11/7 Equilibrium in a competitive market (Chapter 14)
Fri. 11/9 Review

Sun. 11/11 Supplemental review session, 6:30-7:30 pm, Small Hall 110 (NOTE LOCATION)
Mon. 11/12 Midterm exam 3

Part IV. Selected topics in microeconomics

Wed. 11/14 Monopoly (Chapter 15)
Fri. 11/16 Monopolistic competition and price discrimination (Chapter 16)

Mon. 11/19 Price discrimination (Chapter 16)

THANKSGIVING BREAK

Mon. 11/26 Game theory (Chapter 17)
Wed. 11/28 Oligopoly (Chapter 17)
Fri. 11/30 Comparative advantage (Chapter 3)

Mon. 12/3 International trade (Chapter 9)
Tues. 12/4 Insurance Markets online lesson quiz due 11:45 pm
Wed. 12/5 Adverse selection and moral hazard (Chapter 22)
Fri. 12/7 Review

Mon. 12/10 Final exam for 9 am section 03 (9 am to noon)
Tues. 12/11 Final exam for 10 am section 04 (2 pm to 5 pm)

Instructor: Peter McHenry

I was born 50 miles away into a Navy family in Portsmouth, VA. I earned my BS in economics from Vanderbilt and my PhD in economics from Yale. My research is in labor, regional, and health economics. Much of my research is about migration behavior (of people, not birds). My research also tries to understand why different groups of people earn different wages, for example across races and locations. I recently spent a lot of time studying population adjustments in the U.S. to the rapid increase in trade with China that accelerated in 2001.

Principles of Microeconomics is my favorite college class. I want you to learn a lot of economics this semester. Toward that end, I welcome your questions and comments. My contact information is on the first page.