

Fall XXX

ECON 201

Principles of Microeconomics

CRN: XXX – Asynchronous

Instructor:

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Office Hours: **MW: XXXam** and by
appointment

Office hours will be held on zoom.

COURSE OVERVIEW

Economics is a social science which delves into the intricacies of how societies, individuals, businesses, and governments make decisions regarding the allocation of limited resources to fulfill their needs and wants. The fundamental concept at the core of economics is scarcity, acknowledging that resources, whether they be time, money, labor, or natural resources, are finite. In light of this scarcity, individuals and societies are compelled to make choices to ensure the efficient use of these resources. Economics provides a rigorous framework in which to organize what we see in the world. We will cover several models in this course which will use simplifications of human behavior to allow us to explore the various facets of economic decision making.

Economics is divided into two branches: microeconomics and macroeconomics. Microeconomics is concerned with how individuals and firms make decisions within the context of an isolated market. Macroeconomics is concerned with how the economy as a whole behaves over time. This course is about microeconomics.

During this semester you will be introduced to the mechanics of a market economy. You will learn about the conditions required for markets to “work well” and what markets look like when those conditions are not met. You will also learn about the impact of government intervention in markets and the microeconomic principles which explain why people or countries might trade. For example, we will investigate several contentious policy issues from an economic point of view including minimum wages, income inequality, and environmental pollution. Above all else, I hope you leave this course with a more open, curious, and critical mind than when you entered!

LEARNING OBJECTIVES

Learning Objectives are expectations of what students should know or be able to do, how and under what conditions this knowledge or skill will be demonstrated and the criteria to determine success.

Upon completion of this course, the student should be able to:

- Describe the role of markets in allocating scarce resources.
- Apply the supply and demand model to news events.

- Apply marginal analysis to everyday life.
 - Identify where market failures may occur and their impact on markets.
 - Describe the impact of government intervention in the market.
 - Become familiar with developments in the world economy, in both present-day and historical contexts.
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COURSE TEXT

Required: *Principles of Microeconomics* (OpenStax, 2022, 3e) by Steven Greenlaw, and David Shapiro. The textbook is housed as a free e-text through OpenStax at <http://www.openstax.org/details/principles-microeconomics-3e>.

CLASS STRUCTURE

This class is designed to avoid placing additional costs on students relating to textbooks or online homework programs to be more inclusive. The class consists of four components: Problem Sets, Quantitative Drills, Participation, Analysis Essays, and Exams (Midterm and Final).

Problem Sets (25% of Course Grade)

- Assigned problem sets will be a combination of questions that are aimed at developing student competencies of content-based course objectives.
 - Problem sets will be in the form of canvas quizzes containing a mix of multiple choice and short-answer questions.
 - Once submitted, an answer key will automatically be available to view in the quiz.
- Problem Sets will be graded on completion. Submissions will be checked to verify the completion. Completion means that you answered at least 50% of the questions correctly in the problem set, and that you displayed effort on all incorrect answers. You are welcome to take the quiz as many times as you would like before the deadline in order to reach this threshold.

Discussions, Quizzes, and Lecture Viewing (5% of Course Grade)

- I will ask you to complete discussion posts and “attendance assignments” (e.g., surveys) on canvas periodically throughout the term to engage with you while in an asynchronous format to assess regular engagement in the material.
- I ask that you watch lectures posted in this course. **In order to get full credit in the participation category you must watch at least 80% of posted lecture/lab minutes by the end of the quarter.**

Economic Analysis Essays (10% of Course Grade)

- There will be 2 essays assigned throughout the course.
- You will be asked to find a news article covering a current event and apply an economics concept from class to analyze the news article.

Exams (60% of Course Grade)

- There will be 2 exams (a midterm and a final)
 - The midterm will account for 30% of the course grade.
 - The final will account for 30% of the course grade.
- Exams will be open for 72 hours and cannot be made up except in cases of emergency.
 - *Always double check your submission documents as the documents submitted will be the documents graded.*
- Exams will be administered through Canvas.

GRADING

Late Policy

Deadlines are an important aspect of the class and ensure that we cover all material. Life has a way of being unpredictable and missing a deadline (or several) should not prevent success. For this reason, problem sets and essays may be turned in late at any time in the term **prior to the week before the final exam (Wednesday of Week 10) for a penalty.**

Assignments which are turned in late will **receive a 10-percentage point penalty for each week (rounded up to the nearest week) that they are late** up to a maximum of penalty of 50-percentage points. I will allow for a **three-day** late submission **grace period** where no penalty will be assigned. *E.g., This means that if you turn an assignment in 8 days late you will receive 20-percentage points off prior to the grading of the assignment.*

Please remember turning in an assignment late and looking at the answer keys prior to submitting is an act of academic dishonesty and will be reported utilizing proper channels.

Exams cannot be made up except in the case of an emergency.

If you fall behind, please reach out sooner than later as I can help you create a plan to catch up!

Grading Scale

Students earn the grade determined by the standard:

Letter Grade	A+	A	A-	B+	B	B-	C+
Percent Score	[100,96]	(96,93]	(93,90]	(90,87]	(87,83]	(83,80]	(80,77]

Letter Grade	C	C-	D+	D	D-	F
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Percent Score	(77,73]	(73,70]	(70-67]	(67,63]	(63,60]	<60
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COURSE SCHEDULE

You have the ability to watch lectures at your convenience. I have provided an example schedule below which should be used to make sure that you are on track in class. You can also find all due dates and exam dates in this document.

Date	Lecture Topic	Assignments
Week 1 [9/26/23 – 10/1/23]		
9/26/23	Introduction	<ul style="list-style-type: none"> Pre-Class Quiz <ul style="list-style-type: none"> Required to gain access to lectures. Introductions Discussion Post <ul style="list-style-type: none"> Due: 10/1/23
9/28/23	Economic Systems and Principles	<ul style="list-style-type: none"> Problem Set A <ul style="list-style-type: none"> Due: 10/4/23
Week 2 [10/2/23 – 10/8/23]		
10/2/23	Production Possibilities Frontier – Part 1	<ul style="list-style-type: none"> Economic Analysis Paper <ul style="list-style-type: none"> Due: 10/15/23
10/4/23	PPFs – Part 2 and Consumer Theory	<ul style="list-style-type: none"> Problem Set B <ul style="list-style-type: none"> Due: 10/11/23
Week 3 [10/9/23 – 10/15/23]		
10/9/23	Consumer Theory	
10/11/23	1. Market Mechanism and Equilibrium 2. Calculating Market Equilibrium	<ul style="list-style-type: none"> Problem Set C <ul style="list-style-type: none"> Due: 10/18/23
Week 4 [10/16/23-10/22/23]		
10/16/23	Taxes and Subsidies	<ul style="list-style-type: none"> Economic Analysis Paper <ul style="list-style-type: none"> Due: 10/29/23

10/18/23	Price Controls	<ul style="list-style-type: none"> • Problem Set D <ul style="list-style-type: none"> • Due: 10/22/23
Week 5 [10/23/23 – 10/29/23]		
10/23/23	Review	<ul style="list-style-type: none"> • Study for Midterm
10/25/23 – 10/27/23	Midterm	
Week 6 [10/30/23 – 11/5/23]		
10/30/23	Externalities	<ul style="list-style-type: none"> • Problem Set E <ul style="list-style-type: none"> • Due: 11/8/23
11/1/23	Externalities and Public Goods	
Week 7 [11/6/23 – 11/12/23]		
11/6/23	Public Goods and Public Economy	<ul style="list-style-type: none"> • Economic Analysis Paper <ul style="list-style-type: none"> • Due: 11/26/23
11/8/23	Producer Theory – Firms	<ul style="list-style-type: none"> • Problem Set F <ul style="list-style-type: none"> • Due: 11/15/23
Week 8 [11/13/23 – 11/19/23]		
11/13/23	Competitive Markets	<ul style="list-style-type: none"> • Problem Set G <ul style="list-style-type: none"> • Due: 11/21/23
11/15/23	Monopoly	<ul style="list-style-type: none"> • Problem Set H <ul style="list-style-type: none"> • Due: 11/26/23
Week 9 [11/20/23 – 11/26/23]		
11/20/23	Monopoly and Anti-Trust	
11/22/23	BREAK	BREAK
Week 10 [11/27/23 – 12/3/23]		
11/27/23	Economic Applications and My Research	
11/29/23	Review	<ul style="list-style-type: none"> • Study for Final

Final Exam will be open from 12/3 – 12/6.

TOPICS COVERED IN CLASS

Topics are generally listed in the order in which they were covered in class.

- Fundamental concepts of economics
 - Opportunity cost
 - Thinking on the margin
 - Relationship between policy, models, and data
 - Reservation prices
- Why do we trade?
 - Comparative Advantage
 - Definition
 - Production Possibility Frontier
 - Trade and specialization
 - Increasing returns and trade
 - Importance of variety
 - Infant industry argument
 - Example: Division of labor and the iPhone
- Competitive Supply and Demand
 - Definition of competitive market
 - Supply and Demand graph
 - Equilibrium
 - Definition / how to find it
 - Determinants of demand
 - Substitutes vs. Complements
 - Normal goods vs. Inferior goods
 - Determinants of supply
 - Shifting equilibrium
 - Shift supply or demand
 - Shift supply and demand
- Elasticity
 - Why do we want to measure elasticity?
 - Price Elasticity of Demand
 - Definition
 - Calculation using Midpoint method
 - Perfectly elastic and perfectly inelastic supply and demand
 - Inelastic vs. Elastic vs. Unit Elastic demand
 - Relationship with total spending
 - How to calculate with real world data
 - Consideration of other determinants of demand
 - Short run vs. Long run elasticity
 - Ex. Gasoline in the US and Norway
 - Income Elasticity of Demand
 - Definition / Calculation
 - Relationship to Normal goods and inferior goods
 - Necessities and luxuries
 - Definition and relationship to spending share
 - Ex. Healthcare
- Market Analysis

- Gains from trade
 - Producer and consumer surplus
 - Definition
 - Calculate from table of reservation prices and costs
 - Calculate from area on a graph
- Pareto Efficiency
 - Definition
 - Efficiency vs. equity
 - General principles of efficiency
 - Consumption
 - Production
 - Quantity
- Government Policies
 - Taxes and Subsidies
 - Wedge between producer and consumer
 - Burden/incidence of taxes/subsidies depends on elasticity
 - Example: Gas taxes around the world
 - Welfare analysis (change in Producer/Consumer/Government surplus on graph)
 - Deadweight loss
 - Definition
 - Violation of principles of efficiency
 - Alternative taxes to raise money
 - Head tax
 - Regressive vs. Progressive taxes
 - Price Controls
 - Definition
 - Rationing
 - Minimum wage as a price floor
- Trade
 - Definition of autarky
 - Calculating imports/exports under free trade
 - Welfare analysis
 - Tariffs and import/export quotas
 - Definition
 - Welfare analysis
- Externalities
 - Definition
 - Differentiation between public and private costs
 - Changes idea of efficiency
 - Graphing external benefits and/or external costs
 - Welfare analysis (external benefits on graph)
 - Pigouvian taxes
 - Internalize the externality
 - Welfare analysis (change in surplus on graph)

- Command and Control approach to dealing with externalities
 - Cap and Trade approach
 - Example: SO₂ and acid rain regulation
- Types of goods
 - Rival vs. non-rival
 - Excludable vs. non-excludable
 - Public goods
 - Definition
 - Efficient quantity of public goods
 - Role of government
 - Common resources
 - Definition
 - “Tragedy of the Commons” problem
- Producer Theory
 - Fixed costs vs. Variable costs
 - Marginal cost
 - Definition
 - Calculate via midpoint method
 - Returns to scale
 - Diseconomies of scale / Diminishing marginal returns
 - Constant returns to scale
 - Economies of scale
 - Supply of a Competitive Firm
 - Competitive firms are price takers
 - Marginal revenue
 - Rule for profit maximizing output
 - Short run vs. long run supply (decisions to shut down)
 - Supply of a Competitive Industry
 - Assumptions needed
 - Calculate number of firms and output for each firm
 - Short run vs. long run supply
- Monopoly
 - Marginal revenue is different
 - Calculate from table or graph
 - Rule for profit maximizing output
 - Welfare analysis of monopoly
 - Monopoly rents and rent-seeking behavior
 - Natural monopolies
- Consumer Theory
 - Budget constraints
 - Chart and graph
 - Perfect substitutes
 - Fixed proportions (perfect complements)
 - Diminishing marginal rate of substitution
 - Constructing a demand curve

- Need budget constraint and preferences
- Income and substitution effects
 - Definition
 - Break down change in price into two effects on graph
 - Example: Labor supply
- Economics of Discrimination
 - Empirical Evidence
 - Correlation vs. Causation
 - Statistical Discrimination
 - Inequality of Opportunity
 - Missing demographics in the labor market
 - Impact of discrimination on productivity

ACKNOWLEDGEMENTS

This course incorporates materials collected from many locations and courses. The collection and disbursement of knowledge cannot be done alone. I want to thank Greg Delemeester, Stephen Holloway, Glen Waddell, Keaton Miller, and Mike Kuhn who provided me wonderful resources or guidance in developing this course.

UNIVERSITY POLICIES

REACH OUT

Many students, particularly those in their first year at the University of Oregon, find EC 201 to be challenging. The material is difficult, the pace is high, and it can be easy to fall behind and become overwhelmed. If you are concerned about your grades, it is imperative that you contact us as soon as possible. I, as well as the entire faculty of the Economics Department, are invested in your success, but you must take the first step and reach out when you encounter difficulties.

In addition to office hours, there are a number of other resources available to help you master the course material. Please contact us to learn more.

If outside circumstances are impacting your ability to succeed in this course, please contact me as soon as possible. Alternatively, you may wish to contact the Office of the Dean of Students (<http://uodos.uoregon.edu/>) or an Academic Adviser (<https://advising.uoregon.edu/>).

MENTAL HEALTH AND WELLNESS

University Health Services help students cope with difficult emotions and life stressors. If you need general resources on coping with stress or want to talk with another student who has been in the same place as you, visit the Duck Nest (located in the EMU on the ground floor) and get help from one

of the specially trained Peer Wellness Advocates. Find out more at <https://health.uoregon.edu/ducknest>.

University Counseling Services (UCS) has a team of dedicated staff members to support you with your concerns, many of whom can provide identity-based support. All clinical services are free and confidential. Find out more at counseling.uoregon.edu or by calling 541-346-3227 (anytime UCS is closed, the After-Hours Support and Crisis Line is available by calling this same number)."

RESPECT FOR DIVERSITY

You can expect to be treated with respect in this course. Both students and your instructor(s) enter with many identities, backgrounds, and beliefs. Students of all racial identities, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, citizenship statuses, ability and other visible and non-visible differences belong in and contribute to this class and this discipline. All students are expected to contribute to a respectful, welcoming and inclusive environment for every other member of the class.

Class rosters are provided to instructors with students' legal names. Please let me know if the name or pronouns I have for you are not accurate. It is important to me to address you properly. This course can offer unique challenges for international students. As such, there are some resources designed to help international students who are struggling. Please contact the International Student & Scholar Services office for more information (<https://international.uoregon.edu/iss>).

ACADEMIC INTEGRITY

The University Student Conduct Code (available on the Student Conduct Code and Procedures webpage) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way of example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without express permission from the instructor. Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas) and use only the sources and resources authorized by the instructor. If there is any question about whether an act constitutes academic misconduct, it is the students' obligation to clarify the question with the instructor before committing or attempting to commit the act. Additional information about a common form of academic misconduct, plagiarism, is available at the Libraries' Citation and Plagiarism page.

ACCESS AND ACCOMMODATIONS

The University of Oregon and I are dedicated to fostering inclusive learning environments for all students and welcomes students with disabilities into all of the University's educational programs. The Accessible Education Center (AEC) assists students with disabilities in reducing campus-wide and

classroom-related barriers. If you have or think you have a disability (<https://aec.uoregon.edu/content/what-disability>) and experience academic barriers, please contact the AEC to discuss appropriate accommodations or support. Visit 360 Oregon Hall or aec.uoregon.edu for more information. You can contact AEC at 541-346-1155 or via email at uoaec@uoregon.edu.
