Basic information

- Class number: 26212
- Class meetings: 2:30pm-3:45pm MW, 1/7-4/26/2013; WY 115

Instructor: Han Zhang

- Email: hz8@indiana.edu
- Office hours: Fridays 10am-12nn, WY119; or by appointment.

Course description

This course is designed to familiarize students with the language common to economics, a basic ability to analyze various economic problems in the society. Critical thinking skills and the ability to devise and apply microeconomic theory and models are developed.

The course covers scarcity, opportunity cost, competitive and noncompetitive market pricing, and interdependence as an analytical core, and applies this core to a variety of economic problems, such as poverty, pollution, excise taxes, rent controls, and farm subsidies.

Prerequisite

There is no prerequisite for this course. The student is expected to be versed in mathematics at the secondary-school level.
Textbook


Assessment

- Assignments: 10%
- Mid-term exams: 60%
- Final exam: 30%

Examinations

- Mid-term exams: There will be three mid-term exams, on January 30, February 25, and March 25, each making up 20% of the course grade. The exams will be in-class, and administered at the usual class meeting time and venue.
- Final exam: 8:00-10:00 a.m., Mon., April 29

The dates given for the mid-term exams are *tentative*; Students are responsible for confirmation of the exam dates.

Your schedule must permit you to be free to take the final exam on Monday, April 29, from 8:00 am to 10:00 am. There are no alternatives to taking the final exam at this time and date. If you are enrolled in two or more of the following courses you have a conflict - Economics E201, Business G202, Business Z302, Mathematics J112, Mathematics J113, Mathematics T103. Drop all but one of these conflicting courses now, unless you can resolve the conflict with your instructor(s) in the other course(s). Please do not ask if you may have an alternative time for the Economics E201 final - your request will be denied (this is the department policy and I do not have the authority to change the time unilaterally). Please consult the final exam schedule to avoid additional conflicts.

The final exam will consist of a departmental part of 20 multiple choice questions that will be given in all sections, and a section-specific part, with details to be announced later. The departmental parts of past E201 final exams are available at [http://php.indiana.edu/~econcore/past-exams.html](http://php.indiana.edu/~econcore/past-exams.html).

All examinations are required for all students. If it is absolutely necessary to miss an examination, the student must contact the instructor in writing at least two weeks before the date of that exam, with proper supporting documents. The instructor shall decide on whether the documents provided justify a make-up exam or prorating.

Typically, the only acceptable reasons for missing an exam are:

- You have a serious illness requiring immediate medical attention. The course instructor must be able to verify that you received medical attention for this serious illness.
• Death of an immediate family member. The course instructor must be able to verify the death and attendance at funeral services from the Dean of Students Office or another source.

• Travel as part of a recognized University organization. We will try to accommodate your requests, but only if these travel plans have been described on an absence form with an attached verification letter at least two weeks before the exam. These excuses will not be handled after they occur.

Assignments and participation

There will be three homework assignments due in class, with due dates announced later. Late submissions will not be graded.

Attendance will not be taken. However, when you miss a class, you are responsible to communicate with your classmates to obtain all information that you have missed.

Supplemental Instruction (SI)

SI is a proactive academic assistance program funded and managed by the Student Academic Center. With the assistance of SI leader, Drew Gleason (amgleas@indiana.edu), it provides an occasion for students to come together to work collaboratively and strengthen the independent learning and cognitive skills they need to master the E201 course content. Participation in SI is voluntary but strongly recommended. Active participation can count up to 5% replacement points in the weight of the final exam in the course grade.

Student conduct

The policy in the IU Academic Handbook with regard to cheating and academic dishonesty shall be followed. A grade of zero will be given for any assignment or examination on which the student is guilty of cheating. The incident will be reported to the Dean of Students Office.

Automatic withdrawal

The last day to withdraw from the class and receive an automatic “W” is Wednesday, March 6, by 4:00pm. This is also the last day to get a withdrawal slip signed without a special petition. After this date, you can obtain a late withdrawal from a course only by first receiving special permission from the dean of the college. Such permission is very difficult to get. University rules specify that permission for late withdrawals is “given only for urgent reasons relating to extended illness or equivalent distress” to a student who is “passing the course on the date of withdrawal.”


Accommodations for disabilities

If you desire classroom/testing accommodations for a disability, contact your instructor outside of class to present the written supporting memorandum of accommodation from the Office of Disability Services for Students (http://studentaffairs.iub.edu/dss/). Requests for accommodations for disability must be received and authorized by your instructor in written form no less than two weeks in advance of need, in order to allow adequate time to review and make appropriate arrangements. No accommodation should be assumed until authorized by your instructor in writing.

Preliminary course outline

0. The ordinary business of life

1. First principles
   a) Principles that underlie individual choice: The core of economics
   b) Interaction: How economies work

2. Economic models: Trade-offs and trade
   a) Models in economics: Some important examples
   b) Using models

3. Supply and demand
   a) Supply and demand: A model of a competitive market
   b) The demand curve
   c) The supply curve
   d) Supply, demand, and equilibrium
   e) Changes in supply and demand
   f) Competitive markets - and others

4. Consumer and producer surplus
   a) Consumer surplus and the demand curve
   b) Producer surplus and the supply curve
   c) Consumer surplus, producer surplus, and the gains from trade
   d) A market economy

5. Price controls and quotas: Meddling with markets
   a) Why governments control prices
   b) Price ceilings
   c) Price floors
6. Elasticity
   a) Defining and measuring elasticity
   b) Interpreting the price elasticity of demand
   c) The price elasticity of supply

7. Taxes
   a) The economics of taxes: A preliminary

8. Decision making by individuals and firms
   a) Costs and profits

9. The rational consumer
   a) Utility: Getting satisfaction
   b) Budgets and optimal consumption
   c) From utility to the demand curve
   d) Consumer preferences and consumer choice (optional, recommended reading)

10. Behind the supply curve: Inputs and costs
    a) The production function
    b) Two key concepts: Marginal cost and average cost
    c) Short-run versus long-run costs

11. Perfect competition and the supply curve
    a) Production and profits
    b) The industry supply curve

12. Monopoly
    a) Types of market structure
    b) The meaning of monopoly
    c) How a monopolist maximizes profit
    d) Monopoly and public policy

13. Monopolistic competition and product differentiation
    a) The meaning of monopolistic competition

14. Externalities
    a) The economics of pollution
    b) Positive externalities

15. Public goods and common resources
    a) Private goods – and others
    b) Public goods
# Tentative course schedule

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