

THE GEORGE WASHINGTON UNIVERSITY
Department of Economics

ECON 1011: PRINCIPLES OF MICROECONOMICS

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Econ 1011 Section 12 (50124) TR 2:20-3:10 1957 E 213
TAs: *Aaditya Dar, Eyan Fu, Xiaohui Wu*

Please see Blackboard for more detailed information on discussion section meeting times and classrooms, TA contact information and office hours.

COURSE DESCRIPTION

Have you ever wondered: How prices are determined? Why diamonds are more expensive than water even though most people would agree water is more important to life on earth? Why superstar athletes and CEOs make the salaries they do? When the market system works and when it doesn't? When government works and when it doesn't? Is trade really beneficial? What tools the Dept. of Justice used to decide that the American Airlines and US Airways merger shouldn't take place? Why the government encourages monopolies in some industries but not in others? If so, you're in the right class! This semester we will study economics at the micro level to understand how and why individuals, companies, and industries behave the way they do, and how their behavior affects what we call the market system. You will see that economics is a living subject – almost all our actions involve economic decisions whether we realize it or not.

The goal is for you to develop the ability to think critically and objectively about the world around you, as well as to be able to understand and evaluate the accuracy of the economic analysis presented by media sources everyday. At the end of this course, you will be able to:

1. Identify and have a working knowledge of the basic concepts and terminology of microeconomics
2. Demonstrate an understanding of the role of economic models in explaining economic phenomena, as well as the limitations of those models
3. Think through economic relationships using the concepts and models you have learned.
4. Solve problems and make recommendations based on those models, graphically and algebraically.
5. Critically analyze current economic news and events in light of the concepts learned in this class.

COURSE PREREQUISITE

High school algebra (Algebra I)

REQUIRED COURSE MATERIALS (*please see Blackboard for more detailed information on how and where to purchase these materials*)

- 1) Textbook: Microeconomics by R. Glenn Hubbard and Anthony Patrick O'Brien, 4th ed.
- 2) Sapling Learning Online HW system
- 3) iClicker Device

RECOMMENDED COURSE MATERIALS

- 1) Algebra Success in 20 Minutes a Day (Skill Builders), 4th ed., LearningExpress Editors (ISBN 978-1576857199).
- 2) Geometry Success in 20 Minutes a Day (Skill Builders), 3rd ed., LearningExpress Editors (ISBN 978-1576857458)
- 3) <http://www.emathematics.net/>
- 4) ALEKS Online Math Tutorial System (please see Blackboard for registration information)

LEARNING OUTCOMES

This course is designed to fulfill the requirements of the Quantitative Reasoning subcomponent of the G-PAC Analysis learning goal. Quantitative reasoning refers to the process of modeling problems of the real world within a formal abstract system, solving those problems using systematic numerical methods of analysis, and interpreting the results. The following table links the course learning objectives to GPAC quantitative reasoning learning outcomes:

GPAC QUANTITATIVE REASONING LEARNING OUTCOMES	ECON 1011 LEARNING OBJECTIVES
1. Represent mathematical information symbolically, visually, numerically, and verbally	<ul style="list-style-type: none"> • Large number concepts (prerequisite) • Two variable graphs (prerequisite) • The slope of a curve (prerequisite) • Areas of a rectangle and a triangle (prerequisite) • Percentage change – general (prerequisite) • Percentage change - midpoint method • Solving for unknowns (prerequisite) • Solving systems of equations (prerequisite) • Elements of game theory
2. Articulate precise mathematical definitions and propositions and draw inferences from them	<ul style="list-style-type: none"> • Shortages and Surpluses; Consumer & Producer Surplus; Tax Revenue – implications of government intervention on economic welfare • Elasticity – revenue implications of price changes; implications for market definition • Total and Marginal Utility – implications for consumer demand • Revenue and Costs – implications for firm profit maximization; firm supply; and entry/exit decisions • Economic & Accounting Profit – the role and importance of opportunity costs
3. Use algebraic, geometric, or statistical calculations to solve problems	<ul style="list-style-type: none"> • Solve for equilibrium price and quantity given demand and supply equations • Compute changes in consumer and producer surplus, and calculate the deadweight loss due to price controls, taxes, market power and externalities • Product and cost curves – total, average and marginal • Find a firm's profit-maximizing price and quantity under different market structures
4. Interpret and explain information represented in mathematical forms (e.g. graphs, equations, diagrams, tables)	<ul style="list-style-type: none"> • Graph production possibility frontiers • Graph supply and demand functions and/or schedules • Derive market supply and market demand curves graphically • Identify consumer and producer surplus, deadweight loss (due to price controls, taxes, market power and externalities) and the incidence of a tax on a graph • Solve utility maximization problems graphically • Solve firm profit maximization problems under different market structures graphically

COURSE COMMUNICATION

Office Hours

Your TAs and I look forward to seeing you during office hours. If you can't make it during the specified times, you are always welcome to make an appointment to meet with us. Make it a point to come and meet with us early in the semester so we can get to know you.

Your TA is your advocate. Get to know him or her well. TAs let me know if you are doing your work in an effective and timely manner and attending your discussion section regularly. Your TA will help you with any difficulties you may be having with HW assignments and course materials, however all questions regarding course policies, excused absences and grades are to be directed to me.

Blackboard

I use Blackboard on a regular basis to post weekly assignments, announcements, documents, readings as well as your grades. Get into the habit of checking Blackboard once or twice a week.

To access Blackboard, go to the GW Home page <http://www.gwu.edu> and at the very top center of the page, under "Students", click on Blackboard. Login to Blackboard using your GW mail username (NetID). Click on "Principles of Economics Econ 1011" listed among your classes. This will take you to the course page. To access course information, click on the links on the navigation bar to the left.

Use of Email

Given the large size of the class, your TAs and I may not be able to respond to emails in a timely manner. **Your best bet is to come and see us during office hours if the matter is urgent.** When emailing me, please add your TA's name to the Subject Line.

DO NOT USE EMAIL TO:

- 1) submit assignments – emailed assignments automatically receive a grade of zero.
- 2) ask for lengthy explanations on homework or problem sets. Such questions must be asked during office hours.

DO USE EMAIL TO:

- 1) inform us about real emergencies and/or excused absences
- 2) send me interesting articles related to topics we are covering in class.
- 3) ask for brief clarifications on homework, problem sets, lectures or class policies

You may NOT use Blackboard to email the entire class for ANY reason. All communications to the class have to go through the instructor. Please email me the information at least a week ahead of time. If it is appropriate and University-related, I will send it to the class.

Excused Absences and Required Documentation

The following are considered absences that may be excused, provided adequate documentation is submitted ahead of the excused absence. In cases of emergency, Prof. Foster may accept documentation after the absence.

1. University-designated religious holidays – see university policy posted on Blackboard.
2. Athletics – all athletes MUST submit two (2) copies of a green Athletics Department form with dates of absence at least one week before the absence.
3. University-related events – all participants must submit an appropriate letter from the organizing group. The letter must be provided at least one week before the absence.
4. Serious illness or hospitalization – signed note from doctor (date of the visit as well as doctor's contact info must be on document) stating the student is too ill to attend classes and requires bed rest for a stated period of time (with dates). A visit to see a doctor does NOT count as an excused absence.
5. Death of relatives – a copy of the obituary or a funeral notice must be provided.

COURSE EXPECTATIONS

This course combines the study of economic theories with both analysis and application of those theories. That means you will have to demonstrate your ability at several different levels of academic

performance. The first, and most basic, level is **knowledge** – the memorization and repetition of facts and definitions. The second level is **comprehension** – the ability to grasp the meaning of the material you are learning by showing you can translate the information from words to numbers, by interpreting the results of problems and by predicting future trends. The third level is **application** – the ability to use learned material in new situations. The fourth and final level is **analysis** – the ability to break down material into its component parts so that the relationship between the parts can be understood. Level 3 and level 4 questions are what some students refer to as “tricky” questions. Economists work on new and “tricky” problems all the time – just think about the challenges facing the chief economists at Google or Intel. We will practice many such higher-level questions in this class. They require higher order thinking and cannot be answered with just a superficial understanding of the material.

As you can see, economics is not a discipline where the material can be learned the night before an exam. It requires consistent reading, study and practice. The course will meet three times each week. Be there to take full advantage of the class. Plan to spend about 10 hours a week studying for this class depending on your level of comfort with the material and/or your previous exposure to the subject. Read textbook chapters prior to the date of the lecture, do the online HW, redo the worksheet problems, and work the practice problem sets on your own in preparation for quizzes. Be a regular at office hours.

DISCUSSION SECTIONS AND EXTRA CREDIT POLICY

Consistency in attending the discussion sections and learning the correct way to approach problems is essential to success in this class. Your TA will be dividing you into groups and having you solve problems in your discussion sections. Since attending your discussion sections is crucial to your success in this class, you will receive extra credit – 1 point for each discussion section attended which will be added to your next upcoming exam score, first the midterm and then the final exam. Points will **ONLY** be given to those students who arrive on time to class, come prepared to work (bring a ruler and calculator for every session), stay for the entire class and participate for the entire class. Don't bother going if you are going to be late, if you are not going to be there the entire time, if you are going to disrupt the TA or if you are not going to actively participate in the session because you will not receive the extra credit.

You may not show up at another one of your TA's discussion sections just because you overslept or otherwise missed your own discussion section. By University policy, your TA cannot allow students who are not registered for a course to attend. You can only attend the discussion section or lecture that you are registered for. You will receive extra credit for attendance only for attending the discussion section you are registered for.

GRADES

Algebra I Prerequisite Assessment

Algebra I is the prerequisite for this class. Past research at GW indicates that students without adequate mastery of basic math have difficulty learning economics and do significantly worse in this course. As this course is a requirement for many upper level courses, all students **MUST** demonstrate adequate knowledge of Algebra I by taking the Algebra I Assessment. Your score on the assessment will count towards your overall grade in the course. Students who receive a score of 80% or higher on the assessment will have **PASSED** the Algebra I Assessment and will earn full credit towards their grade (10%).

Students with a score of 79% or less will **NOT HAVE PASSED** the Algebra I Assessment and will receive zero credit towards their grade. These students will have two other opportunities to take the Algebra I Assessment and pass it – September 12th and September 26th. To help students who need some review of Algebra I concepts, math review sessions will be held on September 5th and September 19th. If you need additional help, you may contact your own graduate assistant (GA) or the GAs for the Algebra I Assessment, Nazmul Hoque (nazmul@gwmail.gwu.edu) and Dan Lyons (dlyons@gwmail.gwu.edu).

iClicker

We will do some interactive work in class where you will be required to provide answers to questions using your clicker. The questions you answer in class with the remote device will make up your clicker grade. You will be graded on participation as well as the correctness of your answer. You are responsible for bringing your clicker to each class meeting. If you are present in class, but don't have your clicker, you will receive a zero if clickers are used in class that day. Your two lowest scores will be dropped at the end of the semester. In order to receive your clicker grade, your iClicker must be registered correctly. *Please see Blackboard for more detailed iClicker registration instructions as well as a Powerpoint on how iClicker works.*

Weekly Online Homework

Register to do online HW on the Sapling Learning web site. *Please see the detailed registration instructions on Blackboard.* The online HW will strongly reinforce the material you read in the text. You will have weekly graded online assignments. They will be available for two weeks and are due each Sunday night at 11:45pm sharp. Your two lowest online HW scores will be dropped at the end of the semester.

Quizzes

There will be four quizzes over the course of the semester. The quizzes will be administered during your discussion section. The dates are in the Course Outline document on Blackboard. **NO MAKEUP QUIZZES WILL BE GIVEN FOR ANY REASON.** Your lowest quiz score will be dropped at the end of the semester.

Midterms

There will be one Midterm exam during the course of the semester. The Midterm will be held at night on the date specified in the Course Outline. **THERE WILL BE NO MAKEUP EXAM.** If you have an excused absence granted before the exam, the midterm's weight in grade determination will be added to the final exam. If you do not have an excused absence, you will receive a zero on the Midterm.

Final Exam

There will be a Final Exam at the end of the semester. The Final Exam will be comprehensive and will be held on December 14th. Finals must be taken on the day and time specified by the University. Make-ups will not be offered for individual students to accommodate their travel plans.

Important Dates That Will Affect Your Grades

Sunday, Sept 8 th	Last day for Web Add/Drop
Friday, Sept 20 th	Last day to add a course using the RTF-EZ; any courses added MUST have the permission of the instructor or the department <u>Also, the last day to drop a course using the RTF-EZ without academic penalty</u>
Friday, Oct 18 th	<u>Last day to withdraw from a course with a grade of "W" using an RTF-EZ or to change grade mode with Dean's permission</u> <i>Any withdrawals after this date require a petition to the Dean's office.</i>

Please see the Registrar's website for more information: <http://registrar.gwu.edu/registration-schedule#fall2013>

Grading Criteria

Grades will be based on the following:

iClicker	5%
Algebra I Prerequisite Assessment	10%
Weekly MyEconLab Online HW	15%
Quizzes	20%
Midterm Exam (cumulative)	25%
Final Exam (cumulative)	25%

Grading Scale

Generally, grades are distributed as follows:

A	94 and above	C	74 – 76
A-	90 – 93	C-	70 – 73
B+	87 – 89	D+	67 – 69
B	84 – 86	D	64 – 66
B-	80 – 83	D-	60 – 63
C+	77 – 79	F	59 and below

GW Code of Academic Integrity

This should be a no-brainer. Think carefully about the consequences before making a wrong choice. These four years at college are your opportunity to build a solid foundation for the expertise you will need for a successful career. Use your smarts to focus on gaining deep knowledge in your area of interest, not on scamming the system.

“Academic dishonesty is defined as cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information.” For the remainder of the code, see:

<http://www.gwu.edu/~ntegrity/code.html>

Grading problems

Please report it in writing or in person to Professor Foster, not to your TA.

UNIVERSITY SUPPORT OUTSIDE THE CLASSROOM**DISABILITY SUPPORT SERVICES (DSS) 202-994-8250**

Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at the Marvin Center Suite 242, to establish eligibility and to coordinate accommodations. For additional information please refer to:

<http://gwired.gwu.edu/dss/>

UNIVERSITY COUNSELING CENTER (UCC) 202-994-5300

The University Counseling Center (UCC) offers 24/7 assistance and referral to address students' personal, social, career, and study skills problems. Services for students include:

- crisis and emergency mental health consultations
- confidential assessment, counseling services (individual and small group), and referrals

<http://gwired.gwu.edu/counsel/CounselingServices/AcademicSupportServices>

SECURITY

In the case of an emergency, if at all possible, the class should shelter in place. If the building that the class is in is affected, students should follow the evacuation procedures for the building. After evacuation, seek shelter at a predetermined rendezvous location.

TENTATIVE COURSE OUTLINE

(Subject to change as we move through the material – Exam dates won't change)

WEEK	DATES	IN-CLASS TOPICS	DISCUSSION SECTIONS
Week 1	Aug 25 th - Aug 31 st	Introduction to Course Ch 1 & Appendix: Economics Ch 2: Trade-offs, Comparative Advantage & the Market System	Welcome <u>ALGEBRA I ASSESSMENT</u>
Week 2	Sept 1 st - Sept 7 th	Ch 3: Where Prices Come From: The Interaction of Demand & Supply	Worksheets
Week 2	Thursday, Sept 5th 7-9pm	Algebra I Assessment Review Session	Funger 108
Week 3	Sept 8 th - Sept 14 th	Ch 3: Where Prices Come From: The Interaction of Demand & Supply	<u>QUESTIONNAIRE DUE QUIZ 1</u>
	<i>Sunday, Sept 8th</i>	<i>Last day for GWeb add/ drop</i>	
Week 3	Thursday, Sept 12 th 7:45pm	<u>ALGEBRA I ASSESSMENT</u>	Funger 103
Week 4	Sept 15 th - Sept 21 st	Ch 4 & Appendix: Price Ceilings, Price Floors & Economic Welfare	Worksheets
Week 4	Thursday, Sept 19th 7-9pm	Algebra I Assessment Review Session	Funger 108
	<i>Friday, Sept 20th</i>	<i>Last day to add a course using RTF-EZ; also, last day to withdraw from a course without academic penalty</i>	
Week 5	Sept 22 nd - Sept 28 th	Ch 5: Externalities, Environmental Policy & Public Goods	<u>QUIZ 2</u>
Week 5	Thursday, Sept 26 th 7:45pm	<u>ALGEBRA I ASSESSMENT</u>	Elliott 113
Week 6	Sept 29 th - Oct 5 th	Ch 6: Elasticity	Worksheets
Week 7	Oct 6 th - Oct 12 th	Ch 10.1-3: Consumer Choice	Worksheets
Week 7	Date & Time TBD	Review Session for Midterm	Location TBD
	TUESDAY, OCT 8th, 7-9pm	MIDTERM EXAM	FUNGER 103
Week 8	Oct 13 th - Oct 19 th	Ch 9: Comparative Advantage & International Trade	Worksheets
	<i>Friday, Oct 18th</i>	<i>Last day to withdraw from a course with a grade of "W"</i>	
Week 9	Oct 20 th - Oct 26 th	Ch 11: Technology, Production & Costs	Worksheets
Week 10	Oct 27 th - Nov 2 nd	Ch 12: Perfect Competition	Worksheets
Week 11	Nov 3 rd - Nov 9 th	Ch 12: Perfect Competition	<u>QUIZ 3</u>
Week 12	Nov 10 th - Nov 16 th	Ch 15: Monopoly	Worksheets
Week 13	Nov 17 th - Nov 23 rd	Ch 13: Monopolistic Competition Ch16: Pricing & Price Discrimination	Worksheets
Week 14	Nov 24 th - Nov 30 th No class on Nov 28 th	Ch 14: Oligopoly	<i>No discussion sections</i>
Week 15	Dec 1 st - Dec 7 th No class on Dec 3 rd	Ch 14: Oligopoly	<u>QUIZ 4</u>
Week 16	Monday, Dec 9th, 6-10pm	Review Session for Final	Elliott 113
Week 16	Monday, Dec 10th, 6-10pm	Review Session for Final	Elliott 113
	SATURDAY, DEC 14th, 3-5pm	FINAL EXAM	LOCATION TBD