

ECONOMICS 1A PRINCIPLES OF MICROECONOMICS

Exams– There will be two midterms and a final exam:

MIDTERM #1: Thursday January 31

MIDTERM #2: Thursday February 28

FINAL EXAM: Tuesday, March 19 at 1:00 – 3:00pm

The final exam is comprehensive. All three exams are required. They will consist of multiple choice and written problems. Bring a Scantron to each exam.

Course Grade– The final grade will be determined by the three exams and the homework assignments with weighting as follows:

Midterm #1	20%	Homework	20%
Midterm #2	20%	Final Exam	40%

Lecture Time/Place– Tuesday, Thursday 12:10am-1:30pm, ROCK HALL (previously CHEM 194)

Instructor Office Hours– Tuesday 4-5pm and Thursday 9-10am (and by appointment) in Room 1152 of the Social Science and Humanities (SSH) Building.

Section Meetings– Section meetings are a critical part of the course. You should regularly attend the section for which you are registered. Section meetings will review graded homework, discuss problem areas, and answer student questions.

Course Web Site– The course web page is available at <https://smartsite.ucdavis.edu>. There you will find class information and announcements, the syllabus, a lecture and reading schedule, handouts and lecture notes, and exam solutions. Check it often for all updates and current information.

Required Textbook– Krugman and Wells, *Microeconomics*, Third Edition.

Required Homeworks– Economics is best learned through practice. The course will include 16 required homeworks (in determining your homework grade, we will drop the lowest three scoring homeworks). All homeworks will be done on the web using www.aplia.com. Students are REQUIRED to subscribe to the ECN1A Aplia course to get credit for the homework.

Here are some options and prices for the textbook & website:

- BOOKSTORE: paperback version of the book BUNDLED with the Aplia.com membership \$145.45
- BOOKSTORE: looseleaf version of the book BUNDLED with the Aplia.com membership \$120.15
- E-BOOK: Through the aplia.com website you can gain access to the digital version of the book and the required homeworks \$122.00
- USED BOOKS: it is easy to find used copies of the text (and the 2nd edition would be a fine substitute). BUT KNOW that you still have to get the online access to aplia.com which is \$122.00. So the total cost of this option is = COST OF USED TEXT + \$122

I have emailed all enrolled students the “Aplia Course Key” which you need to set up Aplia. The first graded homework is due Friday January 11, so register today and get started!

Accommodations for documented disabilities–Accommodations must be arranged with Professor Hoynes no later than Fri January 18. On or before that date an agreement must be signed detailing when and where each exam will be taken, and specifying what additional accommodations (if any) are required.

COURSE OUTLINE

The basic idea of microeconomics is to explain and analyze the motivations and consequences of decisions made by individuals and firms. The theories and assumptions discussed in this class are sometimes controversial, and even occasionally unreasonable, but they are always intended to provide guidance to observers and policymakers about important economic questions.

My interest in economics is motivated by an interest in helping to formulate better economic policies by various levels of government. My research is on programs for the low-income population such as welfare and the Earned Income Tax Credit (EITC). This connection to government and public policy will be a theme in this course and a structure for learning and motivating the material.

I. Introduction (Chapters 1-2, Appendix to Chapter 2)

- How do economists conceptualize the way individuals make decisions?
- How do individuals interact through markets?
- How does the economy work as a whole?
- What does it mean to "think like an economist"?
- In what sense is economics a "science"?

II. Supply and Demand: How Markets Work (Chapters 3-6)

- What is a market? What do we mean by supply and demand?
- How can we characterize how supply and demand respond to price?
- How, why, and to what effect does government intervene in the marketplace?
- What does it mean to say that markets are "efficient"?
- How might taxes interfere with market efficiency?
- How might policy makers react to this situation?

III. Economics of taxation (Chapter 7)

- If government must raise revenue, what principles should guide the choice of taxes?
- How high should taxes be?

IV. The Economics of the Public Sector (Chapters 9, 16-18)

- Decision making
- How can the government improve on market allocations?
- What happens when market actions (such as pollution) harm the economy?
- Examples of market failure: externalities, public goods

V. Firm Behavior and the Organization of Industry (Chapters 11-13)

- How should we think about a firm's costs?
- How does a firm decide what to produce, and how much?
- How might monopoly compromise the workings of the market?