ECON 2010: Principles of Microeconomics

11:00 AM Tue/Thu (Section 090)
12:30 PM Tue/Thu (Section 091)
Chemistry Building Auditorium, Room 402

Name	Contact	Office Hours
Alex MacKay	Monroe Hall 242 434.924.8714 mackay@virginia.edu	Tue 2:30–4:30 PM Thu 2:30–4:30 PM
Ken Elzinga *(Featured Lecturer)*	Monroe Hall 216 434.924.6752 elzinga@virginia.edu	Tue 2:30–5:00 PM Thu 2:30–5:00 PM
Kate Soderholm *(Head TA)*	Monroe Hall 132 kmj.soderholm@virginia.edu	Tue 4:00–5:30 PM Thu 9:00–10:30 AM

A famous economist, John Maynard Keynes, once wrote: "The theory of economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions." This course aims to teach this "technique" or way of thinking. If successful, you will be able to understand a news article about economics better than the journalist who wrote the story. If you receive an A in ECON 2010, you will have a leg up in running a successful business, or even the economy of a small country.

So how, exactly, will this way of thinking help you? One answer is related to the shortest definition of economics: "the science of choice." Upon completing this course, you will better understand the choices of consumers, producers, managers, government officials, investors, employers, and employees. You will learn how tradeoffs, incentives, markets, and institutions shape their decisions and influence outcomes in business, public policy, and everyday life.

What are the secrets to success in this course? First, attend lecture and think while you are there. Do not simply try to copy words down. In your head, try to predict the next step in an argument, ask whether an example fits the model, or summarize the point of a graph. Second, come up front and ask questions right after lecture, when the material is fresh. Third, read the textbook. Fourth, attend discussion sections, where you can practice the material and ask questions in a smaller setting. Finally: discuss, explain, and argue with your fellow classmates (outside of class).

That first secret motivates one practical recommendation: throughout this course, you are strongly encouraged to take notes and write things out *on paper*. While there are some advantages to digital notes, students who use paper notebooks have received substantially better grades in this course (on average) than those who used laptops or tablets.

Prerequisites

There is no official prerequisite for ECON 2010. However, students may benefit from two semesters of *Friends*, *Survivor*, *The Office*, *Arrested Development*, or their course equivalent.

Required Materials

- *Microeconomics*, 12th edition, by David Colander (McGraw Hill)
- Connect software (McGraw Hill)
- iClicker Student subscription

Microeconomics and Connect

The Colander e-textbook and Connect software are required. Both are available through the course Canvas site on the *Home* tab. Connect provides an interactive textbook ("Smart Book") and review materials, including videos and interactive graphs. Readings from Colander are assigned, while the use of Connect is self-directed.

These materials are provided through UVA's Inclusive Access program. All students have free access for the first two weeks of class. After that period, your student account will be charged for these course materials. If you do not want these materials for the semester, you must actively opt out by the UVA Bookstore deadline posted in Canvas. Refunds cannot be offered after the opt-out deadline. Information about Inclusive Access is available at `https://www.uvabookstores.com/inclusive-access-students`. Questions about Inclusive Access or opt-out status should be sent to UVAInclusiveAccess@virginia.edu.

Students who remain opted in may also purchase a bound copy of the textbook or a loose-leaf copy from the UVA Bookstore.

iClicker Student

We use iClicker Student for in-class "clicker" questions. You must:

1. Create your account at `https://student.iclicker.com/#/account/create` by selecting "University of Virginia Main Campus" as your institution and then entering your information. Importantly, enter your UVA computing ID in the appropriate field. Your computing ID is the set of characters at the beginning of your UVA email, e.g., **abc1de** if your email is abc1de@virginia.edu.
2. Purchase an iClicker Student subscription for your account. You will automatically be given a 14-day free trial; **make sure you have a paid subscription before the trial runs out**. A six-month subscription is sufficient for this course and is $15.99. A one-year subscription ($24.99) will save you a few dollars if you plan to take ECON 2020 in the spring. If you already have an active subscription from another course, you do not need a second one.
3. Download the iClicker Student app from the App Store or Play Store and log in with your account. You can use the app or the iClicker Student website to answer questions in class.

There will be more opportunities to answer clicker questions than are needed to earn full credit. Missed clicker questions cannot be made up after class.

Detailed iClicker instructions and FAQs are posted on Canvas.

Lectures, Q&A Time, and Discussion Sections

The course meets twice each week for lecture in the Chem Auditorium and once each week for discussion sections, which are led by Teaching Assistants. You must be registered in both lecture and a weekly discussion section.

Lectures

Lecture attendance is at your discretion but is strongly encouraged (secret to success #1). If you attend, please be on time. The cost you impose upon the class by entering late is what economists call a negative externality. Because of fire regulations, students may not sit in the aisles. Phones and other audio devices should be silenced during class.

A story about attendance. Robert Bruner, the former Dean of the Darden Graduate School of Business at UVA (and an outstanding teacher) always told his students a story of when he was in Las Vegas at a game of roulette. A sign above the roulette table read, "You must be present to win." Mr. Bruner suggested that his Darden students consider whether there is a lesson in that sign about class attendance.

To help everyone get seated, lectures will start at 11:05 or 12:35 and last about 55 minutes. The next 10 minutes are reserved for the optional Q&A described below. Lecture slides will be posted on Canvas after each lecture.

Lectures do not completely overlap with assigned readings in the textbook, but the themes are closely related. You may read the relevant readings before or after the lectures, though students in the past have indicated that reading them before lecture is the better strategy.

You are responsible for learning material from both lectures and the textbook. Either source is fair game for exam questions.

Q&A Time

Immediately following lecture, there is an optional question-and-answer period. If you want to take advantage of this opportunity, simply come up to the front of the auditorium when the lecture has concluded. Q&A time will last roughly 10 minutes. If you are not able to have your question answered during that time, write it down and follow up in discussion section, office hours, or at the next class.

Discussion Section

Discussion sections are led by Teaching Assistants. Discussion sections provide review of material, practice with problems, and a smaller setting for you to ask questions about the textbook and lectures. Your TA grades your exams and records discussion-section points. The Head TA coordinates discussion sections and handles general enrollment matters.

Course Grade

The first and second exams are worth 100 points each, and the final exam is worth 200 points. Clicker questions are worth 15 points if you get 15 or more correct, 10 points for 10–14 correct, and 0 points if you get fewer than 10 correct. In addition, your TA will allot up to 25 points based on your performance and attendance in discussion section. This adds up to a maximum total of 440 points.

Dutch Knockout

Your grade for the course will be based on one of two grading methods: 1) a 440-point method based on the entire semester's work, or 2) a 200-point method based on the final exam only. You will automatically be given the higher of the two grades. (Consider it an act of generosity!) Thus, it is possible to do poorly on the first two exams (or even skip them altogether), get zero TA points, never get a single clicker question right during the lectures, and still redeem yourself by doing well on the final. This is not a recommended strategy.

The course grades will be scaled, and the scale for each of the above two methods is determined in the days following the final exam. Thus, exams will not have letter grades assigned to them.

Grading Questions

If you have a question about the grading of an exam, you may submit a written appeal to your TA, using the Grade Appeal Form available on Canvas. If you are not satisfied, bring the signed form to the Head TA. If you are still unsatisfied, contact Mr. MacKay. All exam-grade appeals must be completed within three weeks of the exam date. Other grading questions should be directed to the Head TA by Thursday, December 3.

Midterm Exams

Two midterm exams will be given during your scheduled lecture period on **Tuesday, September 29** and **Tuesday, November 10**.

Make-Up Exam

There is one make-up exam (which covers all prior course material) on **Tuesday, November 17, 6:30–8:00 PM** for students who missed either the first or the second exam and have an acceptable excuse. Acceptable excuses are: a death in the family, a University-sponsored event that takes you out of town, observance of a religious holiday, a serious illness, or accepting the Nobel Prize in Economics from the King of Sweden on the day of the midterm.

To request permission for the make-up exam, submit the Make-Up Exam Form on Canvas or at `https://forms.gle/qN8C1psFNaH6RAmf6`. The deadline to request permission is **Tuesday, November 10**.

Final Exam

The final exam will be held on **Saturday, December 12, 7:00–9:00 PM**. Because of the size of the class, excuses from the final are rare and seldom approved by the Dean's Office.

Special Accommodations

Student Disability Access Center (SDAC) accommodations must be arranged through SDAC and communicated to the Head TA and your TA at least seven days before each exam. Accommodations can be granted only to students with SDAC approval.

Course Materials, Copyright, and Recordings

Students may not sell course notes or recordings, or accept payment for taking notes, without the express written permission of Mr. MacKay.

Recordings, course materials, and lecture notes may not be exchanged or distributed for commercial purposes, for compensation, or for any purpose other than study by students enrolled in this class. Public distribution may violate federal or state law or University policy and may subject a student to disciplinary action under the University's Standards of Conduct.

Honor and Class Conduct

Because of the Honor System at Mr. Jefferson's University, the maintained assumption is that ECON 2010 students will be truthful and not cheat on exams. If you witness an incident of cheating, contact an Honor Advisor.

Reasonable suspicion of cheating is grounds for a failing grade in the course, along with additional procedures through the Honor System. The instructor reserves the right to impose grade penalties for conduct detrimental to the course, inside or outside the classroom.

Helpful Links

- Course resources and sample final: `https://alexandermackay.org/teaching.html`
- Economics major FAQ: `http://economics.virginia.edu/FAQ-undergraduate`
- ECON 2010 Guestbook: `https://forms.gle/azhEieyCCnEh5VLJ9`

Blogs and Podcasts

Students looking for additional economics commentary may be interested in these blogs and podcasts.

Marginal Revolution
`http://marginalrevolution.com/`

Greg Mankiw's Blog
`http://gregmankiw.blogspot.com/`

Kyla's Newsletter
`https://kyla.substack.com/`

EconTalk
`https://www.econtalk.org/`

The Grumpy Economist
`https://johnhcochrane.blogspot.com/`

Noahpinion
`https://www.noahpinion.blog/`

Freakonomics Radio
`https://freakonomics.com/`

Undercover Economist
`https://timharford.com/articles/undercovereconomist/`

Course Outline

Readings are from Colander's *Microeconomics*, 12th edition.

Date	Lec.	Topic	Assigned Reading
Part I: Foundations			
Aug. 25 (T)	1	Introduction	Chapter 1
Aug. 27 (Th)	2	Tradition, Command, and Markets	Chapters 2–3
Part II: Markets and Elasticity			
Sept. 1 (T)	3	The Theory of Supply and Demand	Chapter 4
Sept. 3 (Th)	4	The Market	Chapter 4
Sept. 8 (T)	5	Understanding Equilibrium	Chapter 5
Sept. 10 (Th)	6	Non-Market Allocation	Chapter 7
Sept. 15 (T)	7	Assessing Policy	Chapter 7
Sept. 17 (Th)	8	Elasticity	Chapter 6
Part III: Consumer Choice			
Sept. 22 (T)	9	Theory of Consumer Behavior	Chapter 19
Sept. 24 (Th)	10	Consumer Theory Applied	Chapter 19
Sept. 29 (T)		**First Exam**	
Part IV: Competitive Firms			
Oct. 1 (Th)	11	Cost	Chapter 11
Oct. 6 (T)		*Fall Reading Day (no class)*	
Oct. 8 (Th)	12	The Firm	Chapters 11–12
Oct. 13 (T)	13	Inside the Firm	Chapters 11–12
Oct. 15 (Th)	14	Firms in the Long Run	Chapter 13
Oct. 20 (T)	15	Competitive Markets	Chapter 13
Part V: Market Power and Competition Policy			
Oct. 22 (Th)	16	The Theory of Monopoly	Chapter 14
Oct. 27 (T)	17	Cartels	Chapter 15
Oct. 29 (Th)	18	Antitrust	Chapter 15
Nov. 3 (T)		*Election Day (no class)*	
Nov. 5 (Th)	19	Competition Theory Applied	Chapter 16
Nov. 10 (T)		**Second Exam**	
Part VI: Market Imperfections			
Nov. 12 (Th)	20	Externalities	Chapter 8
Nov. 17 (T)	21	Income Distribution	Chapters 17–18
Nov. 19 (Th)	22	Inequality and Labor Unions	Chapters 17–18
Nov. 24 (T)	23	Review Session	
Nov. 26 (Th)		*Thanksgiving (no class)*	
Part VII: Financial Markets			
Dec. 1 (T)	24	Economics of Financial Markets	No assigned reading
Dec. 3 (Th)	25	How to Get Rich the Econ Way	No assigned reading
Dec. 12 (Sat)		**Final Exam: 7:00–9:00 PM**	

Thinking of majoring in Economics? Chapters 21–23 in the Colander textbook may help you decide; they are not assigned reading for this course.