Economics 001 -- Principles of Microeconomics – Fall 2018
Georgetown University Department of Economics
Mondays and Wednesdays ICC Auditorium

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Why does Disney World charge one price for admission to all rides, while Coney Island charges by the ride? Why do drive-up ATMs have instructions in Braille? Why do the hot dogs at baseball games cost so much more than the ones just outside? Why does PEPCO pay its customers to use less electricity? Why do airlines charge less for flights that make stops? Why does the EPA encourage electric utilities to buy and sell the rights to emit pollution? And why do Econ 001 textbooks cost so much? Take this class and find out.

Canvas Web Page: There you can find lecture notes, TA information, previous exams, problem sets (electronic in www.Aplia.com), course grades, an on-line discussion called www.Piazza.com and more.

Question about the content or logistics? Try posting your questions on Piazza.

Requirements and grading: The requirements are weekly on-line homework problem sets, on-line experiments, in class iClicker questions, two midterm exams (in class **October 3** and **November 12**, and one cumulative final exam (**Wednesday December 19, 9-11 am**). There are no make-up midterms, and these dates are inflexible, so please write them down now and make your travel plans accordingly.

The exams will be part multiple choice, and part short-answer. Students may bring to the exams one calculator, writing implements, and one 3x5 note card with as many notes as they would like to squeeze onto both sides of the card.

There will be two grading schemes, in order to minimize the impact of a missed assignment or poor performance on any one assignment. I will use whichever scheme yields the highest grade for each individual student.

    1. Each midterm is worth 25% of your overall grade, the final exam is worth 40%, homework and experiments and classroom polls account for 10%.

    2. Alternatively, I will drop the lowest midterm score, count the remaining midterm as 40%, and the final exam 50%, homework, experiments, and polls 10%.

    Note: Under either scenario, I will drop your three lowest homework or experiment scores and half of your poll responses. This provides latitude for the occasional extra-curricular conflict, religious observation, technical difficulty, or oversleeping.

If you miss a midterm exam for any reason, grading scheme (2) will be invoked. There will be no

makeup midterms. Late homework counts towards one of the dropped assignments.

Passing the course requires adherence to the standards of conduct outlined by the Georgetown Honor Code (http://gervaseprograms.georgetown.edu/honor/). I interpret the Honor Code as applying to all aspects of the course, including classroom polls and on-line homework.

Final rule: no laptops during class. Take notes on paper, not a computer. You'll learn more, distract others less, and can catch up on social media later.

Advice: Although homework will only count for 10 percent of your grade, you can be sure that midterm and final exam questions will closely resemble those found in the homework assignments.

I encourage students to work together on the homework assignments as they are far more fun (or less painful) done as a team. Make sure, however, that you do not rely too much on your study partners, because teamwork will not be possible on the exams.

Due to the flexibility in the grading scheme, students can skip several problem sets, one midterm, and half of the iClicker questions and still score well. I do not recommend attempting to do so. Taking the second midterm or completing the last problem set cannot hurt your grade and you might learn something.

Resources:

1. Aplia: Problem sets and experiments will use the web site *www.aplia.com* . Students are required to register for this course (the code is **NDLR-KWDF-7Z73**), and the cost is $60.49. Be sure you register for the lecture time you will attend, (12:30 or 2 PM). Sign up here: *login.cengagebrain.com/course/NDLR-KWDF-7Z73* .

2. Piazza: This is a website where students can post (and answer) questions about material or other logistics, *piazza.com/georgetown/fall2018/econ001levinsonfall2018* .

3. Text: Parkin, *Microeconomics*, Addison-Wesley. The 10th, 11th , 12th, and 13th editions are nearly identical and you can save a lot of money by purchasing a used copy. Not every topic covered in lecture will appear in the reading material, and not every page of the text will be covered in class.

That's all the logistics. The rest is economics—an important, interesting, and useful way of thinking about our world.

Schedule

Date	Topic	Parkin chapters
8/29	Intro, scarcity, opportunity cost, PPFs	Skim: Ch. 1 & appendix. Read: Ch.2 .
9/3	Labor day – no class	
9/5	Demand and supply	Ch.3
9/10	Efficiency	Ch.5
9/12	Market equilibria	Ch.6
9/17	**Experiment #1.** Log onto Aplia.com from anywhere at your assigned class time. Be sure your Aplia registration is for the appropriate section. If you are on campus, you need to be on SaxaNet not GuestNet.	
9/19	Elasticities	Ch.4
9/24	Tax incidence	Ch.6
9/26	An application: the market for raisins (yes, actually)	
10/1	Household choice	Ch.9 (first 3 pages)
10/3	**Midterm #1.** Bring a pencil, a calculator, a 3x5 card with notes, and sit in your assigned seat.	
10/8	Columbus Day – no class	
10/10	Applications of household choice, income and substitution effects	
10/15	Firms, capital, and present discounted values	Ch.18
10/17	Short run costs	Skim Ch. 10. Read Ch.11
10/22	Long run costs, market equilibria, and perfect competition	Ch.12
10/24	Monopoly	Ch.13
10/29	Imperfect competition	Ch.15
10/31	Game theory	Ch.15
11/5	Regulation, antitrust law	Ch.15
11/7	Public goods and externalities	Ch.16
11/12	**Midterm #2.** Bring a pencil, a calculator, a 3x5 card with notes, and sit in your assigned seat.	
11/14	Economics of the environment	Ch.17
11/19	Asymmetric information	Ch.20
11/21	**Experiment #2.** Note: this is the day before Thanksgiving break. You do not need to be on campus to participate in the experiment, so long as you have access to an Aplia-compatible computer connection.	
11/26	Health insurance reform in the U.S.	
11/28	Natural resources	Ch.17
12/3	Poverty and inequality	Ch.19
12/5	International trade	Ch.7
12/10	Catch-up / review	
12/19	**Final Exam** 9-11 AM. You must take the exam in your assigned room. Bring: GU ID card, #2 pencil, calculator, 3x5 note card.	