

ECO 110 – 0010

MICROECONOMICS AND PUBLIC POLICY

FALL 2009

Contact Information

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Office Location: 403Q Carl Wimberly Hall

Office Hours: Monday and Wednesday 10:00 am – 11:30 am

Tuesday and Thursday 11:00 am – 12:00 pm

Appointments can also be arranged via email or phone.

Class Times, Location, and Webpage

1:10 pm – 2:05 pm

Monday, Wednesday, and Friday

Room 230

Carl Wimberly Hall

<http://www.uwlax.edu/faculty/nunley/teaching>

Learning Objectives

1. Examine and understand how a market system functions to coordinate decisions and allocate scarce resources among competing uses to satisfy wants.
 - a. Recognize our daily choices (as producers and/or consumers) and the subsequent tradeoffs as the basis for the study of economics.
 - i. Identify the concept of scarcity as the basis of the economizing problem.
 - ii. Define the concept of opportunity cost and provide examples.
 - iii. Understand the concepts of comparative advantage and the gains from trade.
 - b. Understand how the concept of marginality is linked to demand and supply by examining the changes in the benefits and costs of consuming and producing.
 - i. Use marginal analysis to evaluate choices.
 - ii. Compare the concepts of total and marginal product. Explain the concept of diminishing returns, and evaluate its effect on marginal cost.
 - iii. Compare the concepts of total, average and marginal costs.
 - iv. Develop the concept of long-run average costs, and explain the basis for economies of scale and diseconomies of scale.
 - c. Understand how the sensitivity to price changes influences consumer and producer decisions by examining the concept of elasticity.
 - d. Understand how price functions as an allocating mechanism.

- i. Understand and use demand and supply models to demonstrate price and output changes in product markets.
 - ii. Understand the market response to shortage and surplus.
 - e. Compare and analyze the similarities and differences between market structures and how they affect consumer and producer decisions.
 - i. Compare the differences between explicit and implicit costs and evaluate the concept of economic profit as a signal for producer action.
 - ii. Identify and compare the key characteristics of perfectly and imperfectly competitive market structures.
 - iii. Compare market structures based on the implications of their characteristics and whether or not productive or allocative efficiency is achieved.
- 2. Understand that some outcomes which develop under a market system may not coordinate decisions in a manner desired by society. Examples of market failures may be used to justify government intervention, which will impact the market mechanism.
 - a. Understand how public policies may affect demand, supply, and/or price, and subsequently influence our choices as members of society.
 - b. Develop the ability to analyze and evaluate public policy issues within the framework of economic models, and understand the arguments and counter arguments inherent in social issues and public policies.
 - i. Define price ceilings and floors and demonstrate how they change market solutions.
 - ii. Using demand and supply models, evaluate the consequences of various policy initiatives. Examples may include pollution control, agricultural policy, minimum wage, protectionism, etc.

Grading

The final grade is composed of two components: homework and exams. Homework accounts for 25 percent of the final grade, while exams account for the remaining 75 percent. There will be five exams: four regular exams and a comprehensive final exam. Homework and exam grades will be posted on our Desire-to-Learn (D2L) webpage.

Grades will be assigned as follows:

A	93 – 100
A/B	89 – 92
B	83 – 88
B/C	79 – 82
C	70 – 78
D	60 – 69
F	Below 60

Course Materials

Textbook: Greg Mankiw's *Principles of Microeconomics*, 5th edition.

Email: I use email to address issues that arise over the course of the semester. Students need to check their email on a regular basis (at least, three of four times per week).

Supplemental Materials: Freakonomics Blog (<http://freakonomics.blogs.nytimes.com>)
Greg Mankiw's Blog (<http://gregmankiw.blogspot.com>)
Becker-Posner Blog (<http://www.becker-posner-blog.com>)

Students with Disabilities

Any student with a documented disability (e.g., physical, learning, psychiatric, vision, or hearing, etc.) who needs to arrange reasonable accommodations must contact the instructor and the Disability Resource Services office (165 Murphy Library, 608-785-6900) at the beginning of the semester. Students who are currently using the Disability Resource Services office will have a copy of a contract that verifies that they are qualified students with disabilities who have documentation on file in the Disability Resource Services office. It is the student's responsibility to communicate their needs with the instructor in a timely manner.

Academic Misconduct

Here is the university's position on academic misconduct:

Academic misconduct is a violation of the UW-L student honor code <http://www.uwlax.edu/records/UGCat/Regulations/Disciplinary.htm>. Academic misconduct is unacceptable. All work handed in for this class must be the students' own individual work. Plagiarism or cheating in any form may result in failure of the assignment or exam, failure of the course, and may include harsher sanctions. Refer to the Eagle Eye at http://www.uwlax.edu/StudentLife/academic_misconduct.htm#14.03 for a detailed definition of academic misconduct. For helpful information on how to avoid plagiarism, go to <http://www.uwlax.edu/murphylibrary/research/plagiarism.html>. You may also visit the Office of Student Life if you have questions about plagiarism or cheating incidents. We encourage you to discuss any concerns regarding plagiarism or cheating with any of us directly and well before any assignments are handed in. Failure to understand what constitutes plagiarism or cheating is not a valid excuse for engaging in academic misconduct.

H1N1-Flu Statement

Based on information from the National Centers for Disease Control, UW-L is anticipating a potentially severe flu season. To help manage the spread of the flu, if you have flu symptoms (i.e. cough, fever, body aches, and nausea), PLEASE STAY HOME. Contact me via phone or email to let me know you are experiencing flu-like symptoms. All reasonable efforts will be made to help you keep up with (or make up) class work. If I become ill, I will inform the class of any cancellations, alternate assignments, etc. via email.

Syllabus Changes

I reserve the right to change the course syllabus. If changes are made, adequate notice will be provided.

Key Dates

September 10 th	Add/Drop via WINGS ends
October 23 rd	Midsemester

October 30 th	Last day to drop with a 'W'
November 20 th	No class
November 23 rd	No class
November 25 th	No class (Thanksgiving Break)
November 27 th	No class (Thanksgiving Break)
December 11 th	Term papers due
December 16 th	Last day of classes
December 17 th	Final exams begin and last until December 22 nd
December 20 th	Commencement
December 21 st	Final exam (4:45 pm - 6:45 pm)
December 29 th	Grades due at midnight

Course Outline

1. Introduction to Economics and Public Policy
 - a. Economic Thinking and Problem of Scarcity (Chapters 1 and 2)
 - b. Opportunity Cost, Production Possibilities, and Trade (Chapter 3)
 - c. The Market System
 - i. Demand, Supply, and Equilibrium (Chapter 4)
 - ii. Elasticity of Demand and Supply (Chapter 5)
 - d. Public Policy
 - i. Price Fixing and Tax Incidence (Chapter 6)
 - ii. Welfare Economics (Chapters 7 and 8)
 - iii. International Trade Policy (Chapter 9)
2. Product Market Structure and Policy Implications
 - a. Costs of Production (Chapter 13)
 - b. Perfect Competition (Chapter 14)
 - c. Monopoly, Oligopoly, and Monopolistic Competition (Chapters 15, 16, and 17)
3. Other Topics
 - a. Externalities and Public Goods (Chapters 10 and 11)
 - b. Earnings and Discrimination (Chapter 19)
 - c. Income Inequality and Poverty (Chapter 20)

Exam Schedule (Tentative except Final Exam)

Exam #1: Chapters 1, 2, 3, and 4 (September 30th)

Exam #2: Chapters 5, 6, 7, and 8 (October 23rd)

Exam #3: Chapters 13, 14, 15, 16, and 17 (November 20th)

Exam #4: Chapters 10, 11, 19, and 20 (December 14th)

Final Exam (December 21st; 4:45 pm - 6:45 pm)