ECONOMICS 100A: MICROECONOMICS, Part A

Fall 2007
Lecture 1: MWF 9:00- 9:50 Solis 104
Lecture 2: MWF 11:00-11:50 Center Hall 216

Class Web Page: http://econ.ucsd.edu/~jandreon/100A/   and/or WebCT

Professor:
James Andreoni   andreoni@ucsd.edu   Office: Economics 215
                                                                          Office Hrs: Monday 1:00-2:00pm

Teaching Assistants
Lecture 1:
(1) Charlie Sprenger   csprenger@ucsd.edu   Office: Sequoyah Hall 207
                                                                          Office Hrs: T&Th 2-4

(2) Sam Dastrup   sdastrup@ucsd.edu   Office: Sequoyah Hall 205
                                                                          Office Hrs: T&Th 3-5

Lecture 2:
(1) Nick Turner   niturner@weber.ucsd.edu   Office: Economics 126
                                                                          Office Hrs: Mon 12:30-2:00, Wed 3-5

(2) Young Joon Park   ypark@weber.ucsd.edu   Office: Sequoyah Hall 232
                                                                          Office Hrs: M&Th 1:30-3:30

Prerequisites: Econ 1 and either Math 10C, 20C, or 21C.

Assessment: There are two in class midterm exams, **Monday, October 22** and **Wednesday,**

November 14th each of which is worth 25% of your grade. The final exam is cumulative

and is worth 40% of your grade. The final is **listed on the UCSD course schedule.** Online

homework will count 10% of your grade. See below on *Homework.*

Course Objectives: As the first of the microeconomic sequence, Econ 100A is designed to teach
you how to set up, solve and analyze optimization models and apply these mathematical models
to the theory of the consumer (commodity demand, labor supply and consumption/savings
decisions). Finally we will examine the fundamentals of decision making under risk and
uncertainty.

Course Materials:
   Required Textbook and Reading:
      Perloff, Jeffrey M. (2007) *Microeconomics: Theory and Applications with Calculus,*
      Pearson/Addison-Wesley.

      Machina, Mark (2006) "Math Handout"

   Additional Readings: There are many textbooks you can use to supplement Perloff. Other
      calculus-based intermediate textbooks include Walter Nicholson's, *Microeconomic
      Theory*, Hal R. Varian's, *Intermediate Microeconomics* and Binger and Hoffman's,
      Microeconomics with Calculus. You can get a e-book version of Varian's text for half

price at www.nortonebooks.com

One free option is an online introductory textbook written by Preston McAfee of Caltech http://www.introecon.com/. The level of this book is between Econ 1 and Econ 100A. It is very interesting, free, and you may find it useful

Mathematics Tutorial for Economists: Written by Martin Osborne at the University of Toronto http://www.economics.utoronto.ca/osborne/MathTutorial/index.html, Chapters 1-6 of this will help you review the calculus tools that you learned in Math 10ABC or 20ABC that are the most important for this course.

WebCT: This is where you access the syllabus, class handouts, homework assignments, etc.

Weekly Homework: It is tremendously important that you keep up with the course, and that you practice solving economic problems. We give you two incentives for keeping up.

1. Online homework. Each week there will be online homework through Aplia. This will cost you $35 to register for Aplia. Start at this link http://econ.ucsd.edu/~jandreon/100A/Aplia100A.htm . This homework will be graded automatically by Aplia and reported to us. To get credit for completing the homework, you must get 70% or more of the answers correct. **Note: Wait until Wednesday Oct 3 to sign up.**

2. Written homework. I will post homework assignments each week by Friday.   During your discussion session (see below) the TA's will help you work on the homework assignment for that week. I will post the homework answer key one week after the problem set is assigned. *These homeworks are voluntary, not graded, but are the most important part of the course. To make the most of your time in this course, do these homeworks.*

Discussion Sessions: These sessions will be conducted by the TAs. Please go to one of the TA sections for your lecture. There will not be enough room otherwise. These TA sections will be used to go over homework answers and will be your chance to practice for the exams.

> *Lecture 1, 9:00-9:50*
> *Discussion 1: Monday 12:00-12:50 CSB 001*
> *Discussion 2: Friday 11:00-11:50 CSB 002*
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> *Lecture 2: 11:00-11:50*
> *Discussion 1: Wednesday 5:00-5:50 CSB 002*
> *Discussion 3: Monday 4:00-4:50 CSB 002*

Administrative Issues:
(1) If you have a documented disability, please bring your documentation and come to talk to me as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities, Building 202 University Center as soon as possible.

For information on the steps for academic accommodation, please see http://www-senate.ucsd.edu/manual/appendices/app3.htm.

(2) Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition to this academic sanction that I will impose, the Council of Deans of Student Affairs will also impose a disciplinary penalty. For a review of UCSD policy, please see http://www-senate.ucsd.edu/manual/appendices/app2.htm.

(3) You will only need a pen or pencil for exams. Exams are closed book and you may not use notes. Exams are completely electronic-free: no calculators, headphones, cell phones, etc. are to be used during an exam.

(4) If you arrive late to an exam, I will allow you to take the exam in the time that remains *as long as no one has turned in his/ her exam and left the room*. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.

(5) If there is a mistake adding up the points on your exam, then bring it to my attention within one week of the exam being returned and I will correct it. If you believe an exam has not been graded properly, you may request a regrade within one week of the exam being returned. I will regrade your entire exam. The regarded score will be your grade for the exam. You may not ask for another regrade or go back to your first grade.

(6) UCSD now has automated waitlists. If you have any questions regarding adding the class, please refer to Triton Link at https://tritonlink.ucsd.edu/portal/site/tritonlink-preview/menuitem.b4448692267a11256ec5e210514b01ca?storyID=17736%20 or contact the undergraduate advisors in Sequoyah Hall 245. The economics department does not allow late additions (additions after the second week) to any class.

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Schedule of Topics and Lectures.

Week	Text, Math Handout	Topic
(0) 9/27	Chapter 1 & 2 Calculus Appendix, A.1-A.3	I. Introduction

(1) 10/1	Chapter 3: 60-74	II. Consumer Preferences:
		  A. Axioms of Rational Choice
		  B. Utility Functions
		  C. Level curves of utility function: Indifference Curves
		  D. Marginal Rate of Substitution
		
		III. Common Utility Functions: Cobb-Douglas, Perfect Complements (Leontief), Perfect Substitutes, CES

(2) 10/8	74-75 & Calculus Appendix, A.4-A.6 Machina Handout	IV. The Budget Constraint V. Mathematical Review of Optimization
(3) 10/15	75-89	VI. Utility Maximization and Demand Functions

(4) 10/22	Chapter 4: 93-110	**Midterm 1: Monday, October 22**
		
		VII. Comparative Statics of Demand
		  A. Income changes
		  B. Price changes (income and substitution effects)

(5) 10/29	Chapter 4: 111-126	VII. Comparative Statics of Demand (continued)
		  C. Compensated price changes and compensated demand functions.
		  D. Slutsky Equation

(6) 11/5	Chapter 5, 130-152	E. Demand Relationships among goods F. Measures of Consumer Welfare
(7) 11/12	Chapter 5: 152-164	**Veteran's Day Monday, November 12** **Midterm 2: Wednesday, November 14th** Supply of Labor: The Labor-Leisure Decision
(8) 11/19		Supply of Labor: The Labor-Leisure Decision (continued) **11/22-11/23 Thanksgiving Holiday**
(9) 11/26	Chapter 16	Supply of Saving: The Consumption-Savings Decision Decision Making under Risk and Uncertainty
(10) 12/3		Decision Making under Risk and Uncertainty (continued)