

MECO 290
Microeconomics
Fall 2006

Brian McManus
mcmanus@olin.wustl.edu

Phone: 935-4915
Office: Simon 281

Office Hours: Mondays 3:00 – 5:00, and by appointment

Class location & time: We meet on Tuesdays and Thursdays in Simon 112
Section 1: 10:00 – 11:30
Section 2: 11:30 – 1:00

Exams: Midterm 1: Tuesday October 3, in class
 Midterm 2: Tuesday November 7, in class
 Final: Friday, December 15, 10:30 – 12:30,
 Simon 113 (section 1) or 112 (section 2)

Course goals & teaching approach

Microeconomics considers how individuals, firms, the government, and other organizations make choices. By the end of the semester, you should understand the main logical arguments used by economists to describe how the world works, and be able to use these tools yourself to analyze business and public policy problems.

Economics is a way of thinking rather than a collection of facts, so throughout the course we will emphasize how a few important tools can be used to understand a broad range of problems. I will divide our class sessions between lectures that present the basic theoretical tools of microeconomics, and discussions of specific examples that illustrate these concepts.

Your objective is to be able to apply economic concepts to new problems. This skill is best developed through practice! Our discussions of readings, homework problems, and in-class exercises are intended to provide this. The exams will focus on your ability to apply the tools that you have learned to specific situations. There will be very few exam questions that ask you to repeat memorized facts.

I will require you to use basic calculus during this course. If you remember what a derivative is and how to obtain one, you will not have any problems with the math that we use here.

Readings

You are required to buy a high-quality microeconomics text for this course, but there is not a particular required text. The default text for the course is the second edition of *Microeconomics: An Integrated Approach* by Besanko & Braeutigam (BB2). Acceptable alternative texts include the first edition of Besanko & Braeutigam and the fifth and sixth editions of *Microeconomics* by Pindyck and Rubinfeld.

I have ordered copies of BB2 to be available in the Washington University bookstore, but I encourage you to seek other opportunities to purchase a book as well. Additionally, there will be one or two copies of BB2 on reserve in the business school library.

The BB2 publisher has assembled some online resources (practice problems, notes, etc.) to accompany the text. You do not need to purchase BB2 in order to use the text website, which is at: http://jws-edcv.wiley.com/college/bcs/redesign/student/0.,_047117064X_BKS_1023_00.html

I expect you to read ahead of our class discussions. I will make announcements in class or through email about the sections of text you should be reading. If you are uncertain about what to read, please refer to the course outline in this syllabus.

We will supplement the material from the text with readings collected from the popular press (newspapers, magazines, etc.). Our approach to these readings will be more casual than our treatment of the text. Our primary use of these readings will be to discuss interesting applications of some of the important principles that are the foundation of microeconomics.

In addition to these readings, I encourage you to stay abreast of current economics-related events. Good popular press sources include the New York Times, the Wall Street Journal, the Economist, and Business Week. There are also several entertaining economics-oriented blogs that are worth reading. For examples, simply type “economics blog” into Google. As always on the web, you will find blogs on a wide variety of topics and across the political spectrum.

Grading

Your grade will be based on three exams, reading assignments and homework, and class participation. The course grade is divided as follows:

Exam 1	15%
Exam 2	20%
Final	35%
Homework assignments	20%
Class participation	10%

Grades will be curved so that final course grades have a similar distribution to previous versions of this class. I will provide information after each exam regarding how to interpret your test grades. For example, if we have an exam with 60 possible points I may announce that scores above 48 should be interpreted as an A or A-, while scores below 25 signal a serious problem.

Blackboard

I will use Blackboard to distribute notes, readings, homework assignments, etc. You need to have an Olin computing account to use Blackboard. Please verify that you can log on to Blackboard and access the information for this class.

We will use Blackboard to collect your comments, questions, and suggestions for material to be covered in our weekly review sessions. If you have an issue that you would like a teaching assistant to discuss at a review session, please post a message to the course discussion board on the Blackboard course site. This is not a prerequisite for requesting help at a review session, but if you post a message it will be easier for the teaching assistants to address your concerns during the session.

All grades for the course will be stored and displayed on the Blackboard course page. It is your responsibility to insure that the grades on this course page are accurate.

Exams

There will be two midterm exams and a final exam. The questions will be similar to the homework problems, and I will distribute additional practice questions on Blackboard. The exams will be open-book, open-notes. We will do this in order to emphasize that the main purpose of this course is develop strong intuition about microeconomic principles rather than memorizing problem solving techniques.

Please inform me as soon as possible if you have a schedule conflict on one of our exam dates. Acceptable reasons for missing an exam are: a personal illness, a serious illness or emergency within your immediate family, or a concurrent final exam for a different course. If you are ill and need to postpone an exam, you must provide a note from a doctor. Makeup exams will be held within a week following the scheduled exam date.

Regrade policy: For adding mistakes or other clerical errors, stop by my office or drop off the exam in my mailbox with a brief explanation. For more substantial cases where you think that you deserve credit for an answer, write a single paragraph explaining why you think your answer was correct, and give it to me (along with your exam) within two weeks of receiving your exam back. No changes will be made after this two-week period.

Homework assignments

Assignments will be posted to Blackboard one week before they are due. Please deliver the assignments to Simon 242 by 4:30pm on the due date. This is the secretarial office for the Olin economics faculty. There will be a red drop-box on or near a secretary's desk for the assignments. If the door to Simon 242 is locked when you want to turn in homework, please deliver the assignment to my office and slide it under my door.

You are welcome to work with other students on the assignments, but everyone must turn in his or her own version of the homework. Most assignments will be graded on a 10-point scale. Late work can be turned in within a week of the due date for half credit.

I will provide brief answers to the assignments one week after they are due.

Class participation and conduct

Your success in the course will depend on your active participation in and out of class. There will be occasional in-class exercises. These will form part of the participation grade. Please turn off all pagers, cell phones, and laptops during class.

Teaching assistants/review sessions

The teaching assistants (TAs) for this course are:

Vivian Malka	malkav@olin.wustl.edu
Dave Silverman	silvermand@olin.wustl.edu
Dane Vrabac	vrabacd@olin.wustl.edu

The TAs will hold weekly review sessions to go over homework problems and any other questions you have about the material. They will be on Sunday afternoons at 3:00 pm in Simon 112. The first session is on September 3.

In addition to the review sessions, the TAs will hold office hours to answer your questions about course material. Office hours will be held on Tuesday evenings from 6pm-8pm, usually in Simon 113. Exceptions are September 5th and 26th, when the TAs will be in Simon 109.

Academic integrity

You are encouraged to work together with other students on the homework. However, each student must write up his or her own version of the homework assignment. Exams are taken individually, without any help from other students or unapproved resources. Each student is expected to maintain academic integrity and to report violations to me or to Gary Hochberg, Associate Dean of Undergraduate Education.

Mail Folders

We will use the mail folders in Simon Hall to return graded work. These folders are in the alcove near the Olin Café. If you are a business school student or you have signed up for one of these folders in the past, please make sure the folder is still in the appropriate place. If you do not have an Olin mail folder, go to Simon 12 to sign up for one. If you do not have a mail folder, I cannot guarantee that you will receive your graded assignments quickly.

COURSE OUTLINE

The following is a rough course outline. I intend to keep the exam dates fixed, but the timing of the material we cover is likely to change.

The listed text sections correspond to the numbering system used in Besanko and Braeutigam, 2nd edition (BB2). I have posted a list of BB2 section titles on Blackboard. You can use this list to identify which specific topics are covered in the list below, and then find these topics in a non-BB2 text.

<u>Topic</u>	<u>BB2 Text Sections</u>
Introduction, overview of supply & demand	1.1 – 1.3 2.1
Consumer choice & demand	3.1 – 3.2 4.1 – 4.3 5.1 – 5.4 2.2 – 2.4
Exam 1: October 3	
Production and cost	6.1 – 6.6 7.1 – 7.4 8.1 – 8.2
Firm profit maximization & marginal analysis	9.2, 11.1
Perfect competition	9.1, 9.3 – 9.5
Exam 2: November 7	
Monopoly	11.1 – 11.6
Topics in pricing	12.1 – 12.4
Oligopoly & game theory	13.1, 13.2, 13.4 14.1 – 14.3
Final Exam: December 15	