



Principles of Microeconomics
ECON 101 A, B and WA-C
Fall 2020
Dr. Amy McCormick Diduch

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My website is *Econ 101: The Basics Website*: <http://amydiduch.weebly.com/>

About this course:

Economics is the study of scarcity and choice in response to incentives. In this course, students learn how economists analyze choices made by individuals, businesses and governments and how those choices determine the prices and quantities of goods and services, the types of goods and services available, the structure and level of business competition, and the limits placed on private market transactions by government decisions.

Class sessions, Fall 2020

Econ 101 A, MWF 9 a.m. - On campus (with some remote work)

Econ 101 B, MWF 11 a.m. - On campus (with some remote work)

Econ 101 WA C – Fully Online

- **On-campus sections:** The MWF 9 a.m. and 11 a.m. classes will each be divided into *M* and *W* groups. *M*-groups will attend in-person on Mondays and *W*-groups will attend in-person on Wednesdays. (Each group will get one in-person Friday lecture as well). The other days will be *remote*: you will log in *at your assigned class time* through Blackboard Collaborate (which will record attendance). Fridays will often involve fully remote activities.
- **Online students (Econ101WAC)** may join us virtually at 9 a.m. or 11 a.m. via Blackboard Collaborate or may view the recorded lectures on their own time during the week. Problem set assignments and exams for online students are the same as those for in-person students (and have the *same due dates*). Some of the participation activities will vary and will include the use of the discussion board on Canvas and/or annotation of articles posted on Google Docs.

Learning outcomes:

- Econ 101 carries *Social Science (S)* credit and *Quantitative Analysis (Q)* credit. The course introduces students to the theories and methodologies commonly used in economic analysis.
- Students who master Econ 101 concepts will be able to draw theory graphs, use graphs to analyze changes, use basic algebraic equations to determine market conditions, and apply these problem-solving tools to actual events. They will be able to predict the impact of technological changes and market changes on relative prices, apply the tools of marginal analysis to decision-making problems, and make choices about optimal pricing based on market responsiveness and degrees of competition.
- Successful completion of Econ 101 serves as a prerequisite for many other Economics courses, including Econ 102: Principles of International and Macroeconomics.

Supplies:

- **Text:** We use a free open access textbook for this course. *Principles of Microeconomics* by Timothy Taylor, Steven Greenlaw, et al, from OpenStax College, <https://cnx.org/contents/ea2f225e-6063-41ca-bcd8-36482e15ef65> . I recommend that you *download the book PDF* onto your laptop (it's free) so that you always have access to it. You can also order a print copy from Amazon if you prefer a hard copy.

- A basic **calculator**.
- Access to a laptop or personal computer is strongly recommended for completing problem sets and interacting with class activities. Although mobile phones are good for many things, they aren't the best means of viewing the graphs and tables that you'll use for problem solving. (Laptops are not recommended for note-taking in the classroom – they tend to distract both you and the students around you). ALL STUDENTS – in-class and online – should take careful notes during lectures, drawing every graph carefully. If you are viewing a lecture remotely, you should have a pad of paper and a pen. You should draw every graph, write down every equation, and write explanations for everything that we do.

Office Q&A Hours for Students will be held virtually.

- Regular appointments for video chats to talk about any questions you have (whether it is confusion over a problem set or to talk about something in the news) are available on Wednesday and Thursday afternoons 1-2:30 and many Tuesday evenings (times will vary with student need – please ask). I may be able to hold some outdoor office hours in the fall... keep an eye on class announcements for times and locations.
- I need to know if you are “coming” to office hours! If no one needs me, I may step away from my computer for a bit. This means I need to know when to expect you. Therefore, please Sign up for an office hour slot by sending me an email at least 15 minutes before you'd like to meet.
- [Click here](#) to attend office hours (which takes you to the B-Board Collaborate site). You will be prompted to enter your name. Make sure you turn on your microphone! Video is encouraged but not required.
- The office hours link is also posted on Canvas under the Home tab, “Meet your Professor” section.
- **Your TA for Econ 101** is Aur Salas, a junior Business Economics major. She will schedule weekly office hours through Google Meet and will host review sessions before exams. Contact her at salaskd0901@marybaldwin.edu. We will post her office hours on Canvas by the end of the first week of classes.

Assessment of your work:

Participation	10%
Assignments	15%
Midterm 1	25%
Midterm 2	25%
Final Exam	25%

Course grade scale: I use the college-wide 10-point grading scale, assigning pluses and minuses to the tops and bottoms of the scale.

Participation: *Class attendance* has always been a strong predictor of grades in Economics classes. For **online** students, “attendance” means keeping up with the course week-by-week rather than letting lecture videos and assignments accumulate. Economists know that incentives are important, and this course includes incentives for attendance and participation.

Participation points are available for the following:

(1) **On-campus students** (ECON 101A and ECON 101B) are expected to attend regularly, whether you are physically present in the classroom or logging on remotely. I will take attendance for in-class groups and Blackboard Collaborate will record the virtual attendance of those students who log in remotely. This requirement includes participation in activities scheduled for days when we are all remote. When active participation is required, your “attendance” isn't enough.... I will mark you present only if you actively participate during the class. (This could involve posting something to a virtual whiteboard, participating in a game, answering a question, etc.)

(2) **Online students** (ECON 101 WA-C) will fulfill the participation requirement through discussion-board interactions with an economics-related article from the news. I anticipate posting six of these, mostly earlier in the semester. (On-campus students are welcome to participate in these discussions).

Students who accumulate at least 88% of the available participation points during the semester will receive an A for this requirement. Students who accumulate at least 78% of the participation points receive a B. Getting 68% of the available points earns a C. Getting 58% of the available points receives a D. Making high quality contributions to class activities or online discussions will place you in the upper end of the grade range for your participation level.

Assignments (problem sets) are posted on and submitted through Canvas

- Problem sets provide practice with class materials and prepare you for exams. Each one allows you two chances and some problems contain feedback. Retake any problem set for which your initial score is below 80%. Contact me (or class TA, Aur Salas) if you don't understand why you missed a question.
- An "A" grade on problem sets = average of at least 80% on 11 out of 12 problem sets. A "B" grade on problem sets = average of at least 70% on 9 out of 12 problem sets. A "C" grade on problem sets = average of at least 60% on 8 out of 12 problem sets. A "D" grade on problem sets = average of at least 50% on 6 out of 12 problem sets. (Note that with this grade scale, you can't get an A on problem sets unless you fulfill both expectations. You will be given the grade that matches the minimum of the two requirements).
- Although you may submit a problem set after the due date, it will be subject to a 50% loss of points. Thus, if you score 80% on the assignment, I will record a 40%. (Exception: *Online-only students* have until Sunday at midnight of the week an assignment is due. After that, the assignment will be marked late).
- You *may* work with other students on problems. However, copying the work of another student is an honor code violation. Thus, you can discuss HOW to answer a question, but do not copy another student's answer and submit it as your own.

Other Expectations

- Be professional!
- In-class students need to arrive on time. Take care of personal business before class begins. Avoid leaving class. Silence cell phones and place them where you won't be tempted to use them. Our time together is particularly limited this year. Let's use it efficiently.
- Research shows you remember material better when you **write it by hand**. Laptops are acceptable only when handwriting isn't possible. Students who are found using laptops inappropriately (i.e. watching videos, internet scrolling, etc.) will be asked to leave the classroom.
- **When viewing lectures online, ALWAYS take notes.** This will help keep you focused.
- **IF YOU ARE SICK:**
 - Don't come to class! Log in remotely.
 - If you are too sick to log in (or don't have internet access), contact me ASAP
 - If you are too sick to keep up with assignments, contact me to arrange for later due dates
 - If you are too sick to take an exam, you will be asked to provide a health center or doctor's note. Make-up exams must be approved in advance and must be taken within the next week. If this isn't possible, we may arrange for reweighting of your course grade.
- If I become sick:
 - I will plan to teach remotely. We will all log in to Blackboard Collaborate through the Econ 101 site on Canvas.
 - If I am too sick to teach a lesson, I may refer everyone to my pre-recorded lectures (available on my website)
- We will all wear face coverings whenever we meet in person.

Accessibility Services: Any student with documented accessibility needs who feels they may need academic accommodations while taking this course, should first contact Dr. Carey Usher, Associate Provost (cusher@marybaldwin.edu, 540-887-7064) or Accessibility@marybaldwin.edu.

The Academic Resource Center: The ARC is your one-stop-shop for writing, math, and all other subject and studentship tutoring. Residential students can meet with tutors virtually or face-to-face in the Center for Student Success, on the first floor of Grafton Library. Online and remote students can work virtually with tutors on papers, assignments, and test-taking strategies. Appointments are scheduled through TutorTrac (tutortrac.marybaldwin.edu). For more information, contact Dr. Carey Usher, Associate Provost (cusher@marybaldwin.edu, 540-887-7064) or ARC@marybaldwin.edu.

Need more time on exams? I am usually able to give *all* students the time they need to complete exams, whether or not you have a documented learning disability. However, it is always a good idea to acquire documentation so you can present it when needed (say, for finals). All exams will be given on Canvas and will be open book. You will not be allowed to search for answers using the Internet or communicate with other students.

Honor Code: If I suspect a violation of the Honor Code, I will discuss it with you first. If there is evidence of a violation, I will submit it to the Honor Council for investigation. (Similar patterns of right / wrong answers on exams taken at the same time on Canvas will be investigated).

MBU Honor Pledge: *Believing in the principles of Student Government, I pledge myself to uphold the ideals and regulations of the Mary Baldwin University community. I recognize the principles of honor and cooperation as the basis of our life together. I shall endeavor faithfully to order my life accordingly. I will not lie, cheat, steal, plagiarize, or violate my pledge of confidentiality. I will encourage others to fulfill the ideals of the Honor System and will meet my responsibility to the community by reporting incidents of Honor offenses.*

How to succeed in economics:

- The ONLY WAY to learn economics is to **do the problem sets** and review anything you miss.
- The second rule in economics is to keep up with the course -- don't wait until the last minute to study the material. This is particularly true in Fall 2020, when in-class time will be limited for all students.
- The third, fourth and fifth rules: **Schedule an office hour appointment whenever you are struggling with a concept.** You can video chat with the class TA (Aur Salas) or with me. We want to talk with you!!
- **Read the textbook** and other assigned readings. Watch the on-line videos for any concept that isn't clear from class. Rewrite your notes (carefully sketching each graph). Sketch the graphs from the textbook.
- Contact the Academic Resource Center for *tutoring* when you are still struggling with the material. There is usually at least one Econ tutor available.

Course Outline

Date	Lecture topic or class activity	Assignments: Readings, problem sets, activities
Monday 8/24	<ul style="list-style-type: none"> Intro to Economics How will this semester work? Scarcity and choice Opportunity cost 	<ul style="list-style-type: none"> Read Chapter 1: Welcome to Economics CLICK HERE Read Chapter 2 section 1 CLICK HERE Explore the Econ 101 Canvas space Assess yourself with the "Math Skills Pretest" from Syracuse U: CLICK HERE
Wed 8/26	Lecture: Production possibilities and opportunity cost <ul style="list-style-type: none"> Sketching the PPF The meaning of efficiency Calculating opportunity cost 	<ul style="list-style-type: none"> Read Chapter 2 sections 2 and 3: CLICK HERE
Friday 8/28	Lecture: The PPF and economic growth <ul style="list-style-type: none"> Impact of change in quantity or quality of resources Technological change, choices, and opportunity costs M-group students attend lecture in person; W-group students log on through Collaborate	<ul style="list-style-type: none"> Read Production Possibilities section at Econ 101: The Basics CLICK HERE Read "Covid 19 Two-pronged choice: Production Possibilities Frontiers" -Tim Taylor 2020 (Click here) First problem set - on Production Possibilities - due by midnight on Sunday
Mon 8/31	Review of PPF problem set answers Lecture: The law of demand <ul style="list-style-type: none"> The demand curve Determinants of demand Shifting the demand curve 	<ul style="list-style-type: none"> Read Chapter 3 sections 1 AND 2 (focus on demand): CLICK HERE Read Demand
Wed 9/2	Lecture: the law of supply; Equilibrium price and quantity <ul style="list-style-type: none"> The supply curve Determinants of supply Shifting the supply curve Equilibrium price and quantity Shortages and surpluses 	<ul style="list-style-type: none"> Read Chapter 3 sections 1 AND 2 (focus on supply and equilibrium): CLICK HERE Read Supply and Equilibrium Second problem set - Demand and supply – Due Thursday at midnight
Fri 9/4	Review of problem set answers Class activity: Supply and demand in the news	Online students: First discussion board activity (on PPFs) due Sunday at midnight On-campus students: Log in remotely for small group discussions on identifying supply or demand shifts in the news
Mon 9/7	Lecture: Comparative statics	<ul style="list-style-type: none"> Read Chapter 3 section 3: CLICK HERE AND Diduch - Comparative Statics Comparative statics problem set due Tuesday at midnight
Wed 9/9	Class activity: Comparative statics practice Problem set discussion	
Fri 9/11	Class activity: Online game Supply and demand in competitive markets	Online students: demand and supply article annotation / discussion (due Sunday at midnight)
Mon 9/14	Lecture: Using algebra to solve for market equilibrium	<ul style="list-style-type: none"> Read (from textbook) Appendix – "The Uses of Mathematics in Economics," CLICK HERE And DIDUCH - Algebra Algebra of supply and demand problem set due Tuesday at midnight
Wed 9/16	Class activity: Problem set discussion Review for Exam 1	

Fri 9/18	EXAM 1	Exam posted on Canvas. Campus students must log in at class time to take the exam. Online students may take it any time between Friday morning and Sunday at 11 p.m. Open notes.
Mon 9/21	Lecture: Price ceilings and price floors <ul style="list-style-type: none"> • Binding vs non-binding regulations • Methods of non-price rationing 	<ul style="list-style-type: none"> • Read Chapter 3 section 4 AND section 5: CLICK HERE • Read Chapter 4 section 1 (demand and supply in labor markets): CLICK HERE • Read Diduch - Price Floors and Ceilings
Wed 9/23	Lecture: Excise taxes <ul style="list-style-type: none"> • Impact on price paid by consumers, price received by producers, and quantity • Calculating tax revenue generated 	<ul style="list-style-type: none"> • Read "Price Ceilings, Price Floors and Excise Taxes," Link: Excise Taxes • Price regulations and excise taxes problem set due Thursday at midnight
Fri 9/25	Class activity Problem set discussion Shortages, "normative shortages," surpluses and the pandemic: class discussion	Online students: Discussion of anti-price gouging laws. On-campus students: Log in remotely for small group discussions
Mon 9/28	Lecture: Price elasticity of demand <ul style="list-style-type: none"> • Elasticity = "responsiveness" • Inelastic and elastic demand • Calculating elasticity of demand 	<ul style="list-style-type: none"> • Read Chapter 5 sections 1 and 2: CLICK HERE • Read Diduch - Elasticity
Wed 9/30	Lecture: Elasticity and total revenue <ul style="list-style-type: none"> • Elasticity of supply • Perfect elastic and inelastic curves • Impact of price changes on total revenue 	<ul style="list-style-type: none"> • Read Chapter 5 section 3: CLICK HERE • Elasticity problem set due Thursday at midnight
Fri 10/2	Class activity Problem set discussion Elasticity in the real world: examples and discussion	Online students: annotation / discussion of article related to elasticity (due Sunday) On-campus students: Log in remotely for small group discussions
Mon 10/5	Lecture: Intro to Marginal Analysis <ul style="list-style-type: none"> • Calculating marginal benefits and costs • Maximizing net benefits 	<ul style="list-style-type: none"> • Read "Marginal Analysis," DIDUCH- Econ 101
Wed 10/7	Class activity Problem set discussion <i>Online game:</i> diminishing marginal product	
Fri 10/9	Lecture: Labor markets marginal costs and benefits of hiring another worker W-group students attend lecture in person M-group students log on to Collaborate	<ul style="list-style-type: none"> • Read Chapter 14 section 1: CLICK HERE • Read Diduch - SR production and labor demand • Marginal analysis and labor markets problem set due Sunday at midnight • Online students: annotation / discussion of article related to diminishing marginal product
Mon 10/12	Lecture: Public goods <ul style="list-style-type: none"> • Nonrival and nonexcludable goods • Free riders • Production of public goods 	<ul style="list-style-type: none"> • Read Chapter 13 (particularly section 3): CLICK HERE
Wed 10/14	Lecture: Environmental Economics <ul style="list-style-type: none"> • Negative production externalities • Marginal social costs • Efficient price and quantity 	<ul style="list-style-type: none"> • Read Chapter 12: CLICK HERE • Public goods and environmental econ problem set due Thursday at midnight
Fri 10/16	Class activity: Online public goods game	Online students: article annotation / class discussion of vaccines as a public good On-campus students: Log in remotely to play game
Mon	Class activity	Practice problems and answers posted online

10/19	Problem set discussion Practice problems	
Wed 10/21	Class activity Practice problems Review for Exam 2	
Fri 10/23	Exam 2	Exam posted on Canvas. Campus students must log in on Friday morning to take the exam. On-line students may take it any time between Friday morning and Sunday at 11 p.m. Open notes.
Mon 10/26	Lecture: Profits <ul style="list-style-type: none"> • Explicit (Accounting) costs and revenues • Implicit (Economic) costs and revenues • Marginal analysis for business decisions 	<ul style="list-style-type: none"> • Read Chapter 7 sections 1 and 2: CLICK HERE
Wed 10/28	Lecture: Costs in the SR and LR <ul style="list-style-type: none"> • SR: total & average variable & fixed costs • LR: all costs are variable • Economies of scale / minimum eff. scale 	<ul style="list-style-type: none"> • Read Chapter 7, sections 3 through 5: CLICK HERE (And Diduch - Labor demand and short run costs) • Problem set – Profits and Costs – due Thursday at midnight
Fri 10/30	Lecture: How to price <ul style="list-style-type: none"> • Intro to market structure • Relationship between elasticity of demand and pricing power ALL STUDENTS ARE REMOTE FOR LECTURE.	<ul style="list-style-type: none"> • Read Chapter 8, section 1: CLICK HERE On-campus students: Log in remotely for lecture
Mon 11/2	Lecture: Price and output decisions in competitive markets <ul style="list-style-type: none"> • Assumptions of perfect competition • Find Q where $P = MC$ • Find profit or loss • Long run equilibrium: zero profits 	<ul style="list-style-type: none"> • Read Chapter 8, sections 2 – 4: CLICK HERE • Read Diduch - PERFECT COMPETITION
Wed 11/4	Lecture: The algebra of perfect competition <ul style="list-style-type: none"> • Set $P = MC$, solve for Q • Calculate profit or loss 	<ul style="list-style-type: none"> • Read “Perfect Competition,” Diduch - PERFECT COMPETITION • Perfect competition problem set due Thursday at midnight
Fri 11/6	Class activity: On-campus and online students all play the same game, report results	<ul style="list-style-type: none"> • Play game: Perfect competition • Report your results via discussion board • Complete this by Sunday at midnight
Mon 11/9	Lecture: Market power and marginal revenue <ul style="list-style-type: none"> • Price vs. marginal revenue • Setting $MR = MC$ and choosing price • Barriers to entry and profit preservation 	<ul style="list-style-type: none"> • Read Chapter 9, CLICK HERE • Read Diduch - Monopoly
Wed 11/11	Lecture: Price discrimination	<ul style="list-style-type: none"> • Play game: Monopoly • Report your results via discussion board by Sunday night • Monopoly problem set due Thursday at midnight
Fri 11/13	Class activity: Online game	<ul style="list-style-type: none"> • Prisoner’s dilemma and other games – <i>online and on-campus</i> students play and report results – See Canvas for details https://serendipstudio.org/playground/pd.html
Mon 11/16	Lecture: Oligopoly and game theory <ul style="list-style-type: none"> • Nash equilibrium in a game matrix • Examples of other types of games 	<ul style="list-style-type: none"> • Read Chapter 10, section 2: CLICK HERE • Read Diduch - OLIGOPOLY AND GAME THEORY
Wed 11/18	Lecture: Non-price competition <ul style="list-style-type: none"> • Methods of increasing demand 	<ul style="list-style-type: none"> • Read Chapter 10, section 1: CLICK HERE • Oligopoly / monop competition problem set due 11/19
Fri 11/20	Problem set discussion Review for final exam	Sample problems and answers posted on Canvas for your review
Mon 11/23	Option to take final exam on campus if allowed by administration	

