

**Economics 201: Introduction to Microeconomics**  
Lecture, Section 101: MWF 10:20am-12:10pm  
311 Ernst Bessey Hall

**Instructor**

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Office Hours: Monday 12:30-2:30 and Wednesday 9:00-10:00 (or by appointment)  
Course Website: On D2L ([d2l.msu.edu](http://d2l.msu.edu))

**Course Description**

This course provides an introduction to microeconomic analysis. At its core, economics is the study of how people, firms, and governments respond to incentives and the effect of these responses on the allocation of resources. We will develop the tools of economic analysis by examining supply and demand, how consumers and firms make their decisions, and the interaction of firms and consumers in the marketplace. We will then use these tools to examine important policy issues such as price and quantity controls, taxes, externalities, and the role of markets and government.

My goal is for you to walk away from this course with a greater understanding of the mechanics behind a working economy and be able critically think about current events with the lens of an economist. My responsibility is to create the environment that will facilitate your learning, but you are responsible for studying the material, tracking your progress and coming to me for help if you find yourself struggling.

**Course Material**

**Textbook**

Paul Krugman and Robin Wells, Microeconomics, 3<sup>rd</sup> Edition.

Any edition is fine, I was able to purchase the 3<sup>rd</sup> ed at a really reasonable price on Amazon.com, however if you do plan to order now I would suggest that you check how long it will take to ship as this course will be progressing quickly. Also, Worth Publishing has provided very favorable pricing for eBook editions of the course text. I am not sure if the library has a copy but if you are unable to purchase the book and would like to use it, I will “lease” out my copy in which students may come to my office in use the textbook in a nearby study room and return it when finished.

**Course Website on D2L ([d2l.msu.edu](http://d2l.msu.edu))**

I will distribute a lot of information through the course website, including problem sets, lecture notes, case studies we discuss in class, and course updates. Please check the website frequently.

### **Worth Publishing Website**

Worth publishing also has a free website to provide you additional practice problems and interactive features: <http://bcs.worthpublishers.com/krugmanwellsmicro3/>

### **Course Grade**

The 3 exams (2 mid-terms and a final) will contribute to your 100-point course grade ( $CG^{100}$ ) as follows:

$$CG^{100} = 0.5 * E^{Highest} + 0.5 * E^{Middle} + 0.0 * E^{Lowest}$$

where  $E$  are your exam scores on a 100-point scale, with “highest”, “middle” and “lowest” referring to the scores. Notice that the lowest exam score will be dropped when calculating your grade.

Your 4-point course grade is then based on the  $CG^{100}$  grade and cutoff grades determined by the distribution of your classmates  $CG^{100}$  grade. There will always be someone very close to the next highest grade, no matter where I draw the cutoff—so if I move the cutoff for one student who is very close, another student would be left very close. I will not move the cutoffs for students who are close to the next higher course grade.

### **Exams**

Each of the exams will be scored on a scale of 0 to 100. The second midterm will be heavily weighted towards the material covered since the first midterm. The final will be cumulative, weighting material from the entire term relatively equally.

### **Alternative exam policy.**

For reasons that can be anticipated (university-sponsored activities, religious observances, and other valid issues), an alternative exam time will be scheduled for the days before an exam. Reasons that can be anticipated must be conveyed to me (preferable in writing, like email) at least **1 week** before the exam. For reasons that cannot be anticipated, see me immediately to discuss your options.

If you are unable to attend the exam due to unanticipated reasons (sickness, family death, and other valid issues) you will need to email me before the exam stating the reasons and set up a meeting with the instructor to discuss when to retake your exam and what documentation of the excuse will need to be provided (doctors note, plane ticket receipt, etc.).

If you believe you have had issues with multiple exams that require special consideration, you must fully document the multiple issues and schedule an appointment with the instructor. Unless there were legitimate and documented excuses that have kept you from multiple exams (a situation that will be rare), further accommodations beyond the grading scale will NOT be provided.

### **Problem Sets**

There will be short problem sets assigned throughout the semester. I hope you will attempt all problems as they are for your own benefit as they are tools to facilitate your learning. They will not be graded but as mentioned before, some of the exam questions will be directly taken from the problem sets.

Solutions to the problem sets will be posted after we complete the section they are on. It will not be sufficient to memorize the correct answer and not understand the reason for the answers. There will be questions on the exam that are similar but not the same and therefore you will need to be able to reason out the correct answer.

### **Structure of exams.**

The problem sets are intended to give you a specific guide to the exams. About one-third of an exam will come straight from the problem sets, one-third will represent minor extensions of the problem sets, and one-third will represent more substantial extensions. I will discuss this in more detail as we approach the exam dates.

### **Other Course Policies**

I will strictly follow course policies: it is not fair to deviate from these policies for some, while applying them to others. If you believe you have circumstances that warrant special consideration, I will listen to your circumstances. However, the course has been designed to meet most situations (e.g., all students will have the option of dropping one exam), so I hope there will be no need to accommodate special requests.

While I do not require attendance, I believe you will gain much more from the class if you attend consistently. Moreover, exams will cover the material I lecture about during class. Please come. If you must miss class, please review my lecture slides and get notes from other students. If any questions remain, please attend office hours. When you do attend class, which I sincerely hope to be often, please be respectful of other students and me. Distractions, including talking, ringing phones, noisily coming and going during class, affect the learning environment for everyone.

Michigan State University is committed to providing equal opportunity for participation in all programs, services and activities. Requests for accommodations by persons with disabilities may be made by contacting the Resource Center for Persons with Disabilities at 517-884-RCPD or on the web at [rcpd.msu.edu](http://rcpd.msu.edu). Once your eligibility for an accommodation has been determined, you will be issued a verified individual services accommodation ("VISA") form. Please present this form to me as soon as possible (within 2 weeks). Requests received after this date will be honored whenever possible (but not promised).

For the course, university policy will be strictly adhered to. Cheating will not be tolerated. Religious observances will be facilitated. For the latter issue, students must notify the instructor at the beginning of the term so that appropriate arrangements can be made.

## Class Schedule

I will work hard to follow this schedule for lecture material. If changes must be made, I will announce them on the course website. **Final Exam date cannot be changed.** Midterm dates are estimates and will be announced at least a week in advance.

<u>Chapters</u>	<u>Topic</u>
1	Introduction and Basics
2	Trade and Tradeoffs
3	Supply & Demand
4	Economic Surplus & Efficiency
5	Quantity and Price Restrictions
6	Elasticity
7	Taxes
--	MIDTERM 1 ( <del>6/1</del> ) <b>CHANGED TO 6/3</b>
9	Rational Decision Making
11	Modeling the Firm
12	Perfect Competition
--	MIDTERM 2 (6/15)
13	Monopoly
14	Oligopoly
15	Monopolistic Competition
16	Externalities
	FINAL (6/29)

NOTE: We will skip chapters 8 and 10 and cover less of chapters 9 and 15; always use lecture slides and problem sets to focus your attention appropriately.