University of California, Davis
Department of Economics
ECONOMICS 1A

Spring 2010

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PRINCIPLES OF MICROECONOMICS

Homework and Exams: There will be two midterms and a final exam as follows:

First Midterm	Thursday, April 22
Second Midterm	Thursday, May 13
Final Exam	Wednesday, June 9 (6:00-8:00 p.m.)

The midterms (20% each) will each cover material discussed up through the exam (as announced); the final exam (45%) will be comprehensive. Homework assignments (15%) will be submitted online.

Early, late, or "make-up" exams will not be administered. If a midterm is missed for a documented, serious and legitimate reason, and the reason is communicated to the instructor by email or telephone *before* the time of the missed exam, the weight for the missed midterm will be added to the weight of the final exam. Should a second midterm or the final exam be missed, a grade of zero will be recorded unless you meet the requirements for receiving a grade of Incomplete.

Section meetings will begin the week of April 5. You should attend the section for which you are registered, and you are encouraged to bring questions to your TA either in sections or in office hours.

The instructor's office hours are Tuesday and Thursday from 10:30-11:50 and by appointment in room 1149 of the Social Sciences and Humanities Building. I can be reached by e-mail at LJHelms@ucdavis.edu.

The class web site may be reached through www.jayhelms.com. It will be your source for office hours and contact information for your TA, answer keys to exams, grades, announcements, answers to frequently asked questions, a lecture calendar, handouts, and other valuable information.

Text and on-line homework system: You are required to purchase access to the Aplia on-line homework system at www.aplia.com for $80.00. This includes use of the digital textbook version of N. Gregory Mankiw, *Principles of Microeconomics*, Fifth Edition (2008). Having a physical textbook is not required. However, if you prefer to use a hardcopy textbook your most economical option is to purchase one online from Aplia. You may also purchase the textbook in the Bookstore, either alone or bundled with an Aplia access card (which is used in lieu of paying Aplia directly). Full details on options for purchasing the text and online access are provided on the class website.

Accommodations for documented disabilities must be arranged directly with the instructor. An agreement must be reached detailing when and where each exam will be taken, and specifying what additional accommodations (if any) are required. To allow time for arrangements to be made, the student should contact the instructor at least two weeks prior to the need for accommodation.

Grading Inquiries: All grading inquiries about midterms must be made to your TA within *one week* of the date the graded exams are returned. Please note that Scantron errors may occur if you fail to erase an incorrect answer completely. Where erasures are incomplete and the Scantron machine, detecting two answers to the same question, marks your answer as wrong, no regrading can be allowed.

COURSE OUTLINE

I. Introduction

- *Chapter 1 —* The *ten principles of economics:* How do individuals make decisions? How do they interact through markets? How does the economy work as a whole?
- *Chapter 2 —* What does it mean to *think like an economist*? In what sense is economics a *science*?
- *Chapter 3 —* How can trade through markets be mutually beneficial?

II. How Markets Work

- *Chapter 4 —* What is a market? What do we mean by supply and demand?
- *Chapter 5 —* How can we characterize how supply and demand respond to price?
- *Chapter 6 —* How, why, and to what effect does government intervene in the marketplace?

III. Markets and Economic Welfare

- *Chapter 7 —* What does it mean to say that markets are *efficient*?
- *Chapter 8 —* How might taxes interfere with market efficiency?
- *Chapter 10 —* What happens when externalities (such as pollution) harm the economy? How can the situation be improved?

IV. The Design of the Tax System

- *Chapter 12 —* What principles should guide the choice of taxes?

V. Firm Behavior and the Organization of Industry

- *Chapter 13 —* How should we think about a firm's costs? (except e-text section 13-4 = text pages 280-282: Costs in the Short Run and Long Run)
- *Chapter 14 —* How does a firm determine what it should produce in a competitive economy? (except e-text section 14-3 = text pages 301-306: Supply Curve under Competition)
- *Chapter 15 —* How might monopoly compromise the workings of the market? (except e-text section 15-4 = text pages 326-331: Price Discrimination)

VI. The Economics of Labor Markets

- *Chapter 18 —* How do labor markets work? (except e-text section 18-4; text pages 405-409: The Other Factors of Production)
- *Chapter 19 —* What determines the value of one's labor? What role might discrimination play? (You are only responsible for the material covered in class.)