

ECONOMICS 100A: MICROECONOMICS, Summer 2014

Lecture: M-TU-W-TH 11:00-12:20 pm in Solis 104
Discussion Section: Thursday 2:00- 4:00 pm in CSB 001

Instructor:

Dr. Melissa Famulari Office Hours: Econ 221, 12:30-1:30 MTWTh email: mfamulari@ucsd.edu

Graduate TA

Sieuwerd Gaastra Office Hours: Econ 125, 10:00-11:00 TTh email: sgaastra@ucsd.edu

Prerequisites: Microeconomic principles (Econ 1) and a year of calculus (either Math 10C or 20C or 21C).

Assessment: There is one in-class midterm exam, **Monday, July 14** which is worth 350 points. Quizzes (may be in-class, online or in discussion section) are worth 100 points. The final exam is cumulative and is worth 550 points. The date of the final is **Friday, August 1st from 11:30-2:30**.

Course Objectives: As the first class in the micro 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:

- (1) Perloff, Jeffrey, *Microeconomics: Theory and Applications with Calculus (3rd Ed.)*.
 - a. There is a UCSD custom version (a new cover, identical book) at the bookstore for \$106.75. It includes a one-year access code to a searchable e-book and supplemental problems. I will give you access to the Perloff problems as additional practice.
 - b. If you want to use the 2nd edition, that is fine but I will be referring to the 3rd edition in lecture.
- (2) Machina, Mark (2010), *Math Handout*

Additional Readings:

Other calculus-based intermediate textbooks that you could use to supplement Perloff include Nechyba's *Microeconomics: An Intuitive Approach with Calculus*, Nicholson and Snyder's, *Microeconomic Theory*, and Binger and Hoffman's, *Microeconomics with Calculus*. One free option is an online introductory textbook written by Preston McAfee of Google <http://www.introecon.com/>. He wrote this while at Caltech and the level is between Econ 1 and Econ 100A. It is very interesting, free, and you may find it useful.

Mandatory Discussion Sessions: Sieuwerd will answer your questions regarding lectures, the textbook, homework problems and old exam problems. Some weeks there will be a quiz in section.

Ted: This is where you access the syllabus, class handouts, your grades, homework assignments, etc. I have posted my old 100A exams to give you some additional practice. NOTE: I do not post answers to the old exams but we will be happy to work on these problems with you during office hours.

Homework and Quizzes: 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. *Quizzes:* There will be 9 quizzes in your discussion section, in class or online. The top 6 will count for 10% of your grade.
2. *Written homework:* Homework assignments and keys are posted on Ted. During your discussion section, your TA will work on the homework assignments. *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.*

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 material that you learned in Math 10ABC or 20ABC that are the most important for this course.

Administrative Issues:

- (1) If you have a documented disability, please bring your documentation 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
- (2) Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition to my academic sanction, the Council of Deans of Student Affairs will also impose a disciplinary penalty. If you observe or otherwise know about academic misconduct in my class, I encourage you to tell me, or use UCSD's new anonymous system at <https://students.ucsd.edu/academics/academic-integrity/reporting.html>
- (3) EXAMS
 - a. You must bring your student ID to all exams.
 - b. You may only use a pen/pencil and a straight edge during exams. I copy a random fraction of the exams and so it is OK to use a pencil.
 - i. Exams are closed book and you may not use any notes.
 - ii. Exams are electronic-free: you may not use calculators, headphones, cell phones, etc. during an exam
 - c. 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*. Once a classmate has turned in his/her exam, you will earn a zero on the test if you arrive late.
 - d. There are no bathroom breaks during midterm exams.
 - e. If you believe your exam has not been graded properly, you may request a re-grade within one week of the exam being returned.

Week	Text, Math Handout	Topic
(1) 6/30	Ch.1, 2.1, 2.5 Math Handout: Sects. A, B, C Ch. 3.1, 3.2	I. Introduction 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 IV. Budget Constraint
(2) 7/7	Ch. 3.3, 3.4, 4.1 Math Handout: Sects. D, E Perloff Appendix: A.1-A.6.	V. Mathematical Review of Optimization VI. Utility Maximization and Demand Functions VII. Comparative Statics of Demand A. Income changes
(3) 7/14	Ch. 4.2-4.5	Midterm 1: Monday, July 14 VII. Comparative Statics of Demand (continued) B. Price changes (income and substitution effects) C. Compensated price changes and compensated demand functions. D. Slutsky Equation E. Demand Relationships among goods F. Revealed Preference
(4) 7/21	Ch. 5.1-5.5	VIII. Consumer's Surplus and Deadweight Loss IX. Supply of Labor: The Labor-Leisure Decision
(5) 7/28	McAfee online text: p 169-173. Ch. 16.1-16.3	X. Supply of Saving: The Consumption-Savings Decision XI. Decision Making under Risk and Uncertainty

FINAL EXAM: Friday, August 1 from 11:30a-2:30p.