

E321/G300-- Intermediate Microeconomics  
Professor: DR. Eric Schansberg

IU (New Albany)  
Fall 2011

**Texts:**

- Browning & Zupan's *Microeconomic Theory and Applications*, 10th ed. (paperback; ISBN 0-470-12891-6)
- Steven Landsburg's *The Armchair Economist: Economics and Everyday Life* (see also: Steven Levitt's *Freakanomics*)
- supplemental readings on web-site and On-Course
- Wall Street Journal* (optional; info on student subscriptions available at [wsjstudent.com](http://wsjstudent.com))
- Lunn's Study Guide for B&Z (optional)
- graph paper is required; a few different colored pens/pencils are highly recommended

**Office Hours:**

T	4:00-5:45 (before E321)	Office location:	Hillside Hall 018
T	7:00-?? (after E321)	Office phone #:	941-2527
R	10:00-?? (after A506)	Email address:	<a href="mailto:DSchansb@ius.edu">DSchansb@ius.edu</a> (vs. On-Course)
	-by appointment...	Webpage:	<a href="http://homepages.ius.edu/DSchansb">http://homepages.ius.edu/DSchansb</a>

Please don't hesitate to contact me if you need help; in addition to my research and service to the university and community, my primary commitment is teaching. Part of my job is to help you **outside of class**-- you are not an inconvenience.

We'll use Oncourse for some course materials and communication. If you do not know how to access or use Oncourse, please ask a computer lab assistant at your earliest convenience. In particular, you should enable your "email forwarding preference" (under "Messages" and then "Settings") and set it to your preferred email address.

**Grading:** You will earn your grade on the basis of your performance on...

-3 Midterm Exams	54% (1 <sup>st</sup> : 20%; 2 <sup>nd</sup> : 18%; 3 <sup>rd</sup> : 16%)
-Final Exam	20%
-Class Participation	13%
-14 Homeworks (drop lowest grade)	13%

**Exams:**

- Questions will be short answer, short essay, mathematical, and graphical.
- I encourage you to think through questions that I might ask over the material to be tested.
- The final exam will be comprehensive, but about half of the questions will be nearly identical to questions on the midterms.

### **Class Participation (CP):**

-Your grade in class participation is determined by quality and quantity—the accuracy and activity of your answers to questions posed in class. So, attendance is correlated—but only somewhat—with CP. Thus, occasional absences are unlikely to influence your grade significantly, but more frequent absences are another issue. (If your frequent absences are ‘excused’, feel free to present adequate documentation, etc.)

-Questions will come from the material assigned for that day. The structure of the course is predicated on the assumption that the readings have been completed. Each class period will review the highlights, cover the more difficult material and build upon it. *Note that you are likely to perceive the reading differently in a class where you read before vs. after a professor lectures on the material. And you are likely to perceive your understanding of the material differently when you are not asked to participate.*

-On the second midterm, you will estimate this component of your grade and be offered a two-point extra-credit question on how your CP grade is determined. And as the semester proceeds, I encourage you to inquire if you want to know how you're doing in this portion of your grade.

-There are a variety of reasons for using the Socratic Method: you will prepare better for class and be better prepared for exams; you and I will both have a better sense of how the class is doing; it allows grading to cover verbal as well as written performance in class; and so on. Most important, it will help you develop an important, but difficult-to-develop skill.

### **Homeworks:**

-are available on my website and On-course

-are designed to make the material more accessible and to prepare for exams; questions are intended to be within your reach (e.g., don't spend an hour on #2b.)

*-will probably require the use of office hours and/or competent group work to be successful*

*-are a key part of the course; if you “work the program”, they set you up for success*

-will *occasionally* be followed by hand-out review sheets &/or coverage in class

-are graded mostly on accuracy, and less so, on effort

-need to be stapled (if not, -10%) and legible

-can be turned in late for a modest penalty (don't miss class if assignment isn't done yet)

## **Overview of the Material:**

Ch. 1	Intro/Review	
Chs. 2-6	Consumer Theory	<u>Midterm 1</u>
Chs. 7-8	Producer Theory	
Chs. 9-10	Perfectly Competitive Model	<u>Midterm 2</u>
Chs. 11-13	Other Market Structures	
Chs. 14-17	Input Markets and Special Topics	<u>Midterm 3</u>
Ch. 17-20	The Role of Government	<u>Final Exam</u>

→ Each part of the course is front-loaded so that HW material can be addressed sooner. This course is, by nature, heavily front-loaded in difficulty and work-load; that said, note that parts 3&4 are less technical but “faster” in that we’ll cover more material.

→ In-class discussion will focus on the most difficult and the most important material.

## **IUS School of Business “Assurance of Learning” Goal for all Courses**

*School of Business graduates are knowledgeable professionals who are capable decision-makers, effective communicators, and technologically adept.*

The School of Business at Indiana University Southeast is accredited by the Association to Advance Collegiate Schools of Business (AACSB). Less than 5% of the world's business schools have achieved this elite distinction. To maintain this accreditation and to seek continuous improvement, we assess our program through an assurance of learning plan. As a part of this plan, undergraduate students are evaluated in the following five areas: knowledge of business, decision making, communication, technology and professionalism.

## **Objectives of this Course:**

- to take Principles of Micro to a deeper level; to prepare for upper-level Micro electives
- to increase one’s understanding of microeconomics—in particular: consumer theory, producer theory, market structure and input markets
- to build human capital; to enhance institutional knowledge
- to analyze policy options; to study the role of government
- to promote critical and creative thinking; see: Bloom's taxonomy (knowledge, comprehension, application, analysis, synthesis, evaluation)
- to address some of the “general education goals” of IUS: oral communication skills, quantitative reasoning, reasoning about moral/ethical questions, critical thinking, and to understand “the world through the central ideas, issues, and methods of inquiry found in the social/behavioral sciences”

### **Other things to know:**

-IUS will use IU-Notify to inform faculty, staff, and students about weather-related closings and delays. (Use OneStart to update your contact information through the Emergency Notification links—so you can be notified effectively.) IUS will also post notices on its web site and phone system (-2567 or -2662).

-IUS provides services for students who struggle with writing (-2498) and math (-2312).

-IUS provides services for students with disabilities: “Students who have a disability that requires accommodations in the classroom should contact the Coordinator of Services for Students with Disabilities early in the semester so that their learning needs may be appropriately met. The student will need to provide documentation of the disability and if testing is needed, recommendations can be provided from the Office of Services for Students with Disabilities 941-2579. Additional information about the Office of Services for Students with Disabilities may be obtained at:

<http://www.ius.edu/SSDis/homepage.htm>”

-IUS accommodates the religious observances of students: “Any student who is unable to attend classes or participate in any examination, study, or work requirement on a particular day because of his or her religious beliefs is excused from any such activity. The student will be given the opportunity to make up the work that was missed, provided that the makeup work does not create an unreasonable burden upon Indiana University. Notification to the instructor must be given within the first two weeks of the semester and the appropriate paper work must be completed within the same time frame.” The IUS School of Business has a form to be filled out and signed by the student, instructor and Dean. It is the student’s responsibility to request accommodation at the beginning of each semester—for each relevant course.

-School of Business Honor Code: In accordance with the Indiana University Southeast Code of Student Conduct, the School of Business has adopted the following honor code: “On my honor, I hereby pledge to neither give nor receive aid not authorized by the instructor on this [exam/test/paper].” The mechanism for enforcement will be the established channels provided through the Office of Student Affairs regarding academic misconduct. The purpose of the honor code is to reinforce for School of Business students the importance that our school places on ethical conduct as well as the increasing emphasis being placed on ethical behavior within the business community.

## **Quotes and Philosophy of Teaching:**

B. Knight: "The key is not the 'will to win'...everybody has that. It is the will to prepare to win that is important."

Sophocles: "One must learn by doing the thing; for though you think you know it, you have no certainty until you try..."

C.S. Lewis: "Teachers will tell you that the laziest boy in the class is the one who works the hardest in the end...when they are preparing for an exam, the lazy boy is doing hours and hours of miserable drudgery over things the other boy understands, and positively enjoys, in a few minutes. Laziness means more work in the long run."

G. L. Bach: "Economics is a way of thinking about problems, not a set of answers to be taken off the shelf."

W.B. Yeats: "Learning is not the filling of a pail; it is the lighting of a fire."

Derek Bok: "If you think education is expensive, try ignorance."

Aristotle: "It is absurd to hold that a man ought to be ashamed of being unable to defend himself with his limbs but not of being unable to defend himself with speech and reason, when the use of reason is more distinctive of a human being than the use of his limbs."

Mark Twain: "It isn't what we don't know that kills us, it's everything we know that ain't so."

Blaise Pascal: "Working hard to think clearly is the beginning of moral conduct."

Mary Ann Glendon: "Everyone understands that while 'economic man' is a helpful tool for economists, a person solely motivated by rational profit maximization in real life would be a sociopath."