

San José State University
Department of Economics
Intermediate Microeconomics Theory
Econ 101, Section 01, Fall 2017

Course and Contact Information

Instructor:	Professor Lydia Ortega
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Office Hours:	Wednesdays, 4:00 to 6:00 PM and by appointment. Mondays by appointment in person or skype
Class Days/Time:	Wednesday 6:30 to 9:15 PM
Classroom:	DMH 166
Prerequisites:	Econ 1B with grade of C- or better

Course Format

This is a four-unit course. You are expected to complete an average of 12 hours of work per week inclusive of lectures, assignments, and activities. This syllabus has learning objectives, rigor, class meeting times, and assignments commensurate with the expectation of 12 hours of work per week across 15 weeks in a semester. Contrast this with a traditional three-unit course where, you are expected to complete 9 hours of work per week inclusive.

Econ 101 includes instruction and evaluation of problem-solving techniques, in-class presentations, and weekly team assignments worth the equivalent of a mid-term. All students must commit to a minimum of 2-hours per week working, face-to-face with your group in addition to a minimum of 1-hour per week working with your group via online discussion. The online discussion is necessary to coordinate workloads and to make the 2 hours of in-person time to be as productive as possible.

This is not a flipped-course but there is an EXTENSIVE amount of self-directed work that you MUST do outside of class before meeting with your group and before attending class. In class, you are *randomly* called upon to present assigned questions. Each group gets a set of assigned questions that they have to research, resolve, and be ready to present to the class. Connect with me if you want to preview your response. Each mid-term exam comes directly from the set of assigned questions.

Classroom Protocol

Arrive on time. There are no scheduled breaks, just leave quietly if you have to go. Drink and food are okay. Have fun. If you use a laptop I reserve the right to call on you to look up information in response to class discussion. You may get some class time to work with your group on questions so sit near each other. I do not lecture extensively. This is a class where you are warmly welcomed to think aloud. In fact, I give extra credit points for demonstrating a critically thinking mind. Really, I pay you points to ask questions! (*Incentives matter*) Reawaken your critically thinking mind by asking questions:

1. Questioning (WHY? WHY? WHY?)
2. Being Skeptical (REALLY?)
3. Being Creative (WHAT IF...)
4. Strategic Thinking about Consequences over time (THEN WHAT?)

NO MAKE-UP assignments or exams. If you miss an exam you take the Optional Replacement Exam.

NO LATE ANYTHING - On time means submitted by 6:45 pm on the class day it is due.

Faculty Canvas and MYSJSU Messaging

I am using Canvas to connect with you, post problem sets, articles, and to host discussions Make sure you connect with someone in the class to get the material you miss when absent. Do not email me for copies of handouts or notes on what was discussed. You need to work with each other – engage in mutually beneficial, bilateral exchange of assignments, lectures, and learning. I also send emails out to the class via MYSJSU so keep your email address current. When you write to me ALWAYS put **Econ 101** in the email *Subject line* so I can search for your email.

#1 Hint from former students – start working in groups IMMEDIATELY!

My two cents: I highly recommend you start NOW to use a professional email -- winkykitty@gmail.com is cute but not professional.

Course Description

Per Catalog: Consumer behavior determining demands for goods and services. Theory of the firm including theories of production and cost. Theory of distribution to production factors.

Per Ortega: This course is appropriate for undergraduate majors in Economics, for graduate students seeking to refresh skills, and for other majors seeking to develop problem-solving skills. This course is the study of prices. Prices are ubiquitous. Such familiarity, however, breeds a nonchalance that obscures the *role* of prices. When you understand the role and function of prices you properly see markets, (aka the economy, capitalism, trade) as

an organic, dynamic, interdependent system where individual choice precipitates a myriad of peaceful human interactions where conflicting and competing wants and goals are resolved by PRICES determining the allocation of scarce resources through voluntary exchange.

Whoa, That last sentence was a hell of a sentence and a hell of an assertion. Do you agree?

In this course we learn the theory and application of prices. This analysis requires that we delve behind the simple supply and demand curves learned in principles. Major learning outcomes include:

1. Mastery of economic tools that are the foundation for economic analysis in all other courses. The tools do not change – memorize them. “*Dr. Ortega, How do you define mastery?*” Good question. You have to explain concepts in 3 different ways: in symbols or equations (e.g., MP_L); in technical words, (e.g., Marginal Product of Labor); in plain speak (e.g., the amount of output added to the total by the next unit of labor). Example of mastery: You probably have a mastery of multiplication and can answer quickly that $5 \times 8 = 40$. That’s good but not good enough for this course. You have to be able to quickly explain **WHY** $5 \times 8 = 40$. On tests, I always ask you to “Explain why.” An explanation is not a proof. An explanation provides an example: you are showing something. How would you explain why $5 \times 8 = 40$?

Memorizing tools is not enough! YOU MUST be able to explain WHY!

2. Ability to **apply** the tools to any situation (e.g., political, international, business, family, environmental, to name a few) to gain understanding of systemic changes. “*Excuse me, Dr. Ortega, but aren’t you over promising. How can one set of tools be used to examine such varied situations?*” Well, clearly your “Skeptical Mind” is revving. The common element in all social situations is individual choice. We have a model of individual choice. That model doesn’t change even when situations change. People are people; they just make choices in different settings or under different institutions, different rules of the game. The real value (ROI) of the class is not to *learn* tools; it is to learn how to *use* the tools to solve problems, to think critically. Applications always change – you cannot memorize application answers. Focus your attention on learning the techniques, steps, and **schematic knowledge** (more on this later). Sometimes in this class or on an exam, you are not even asked to “answer” a problem, rather you are asked to explain how you would work to a reasoned solution.

Focus on identifying patterns as you work to reasoned solutions to complex problems.

3. Microeconomics is inherently a problem-solving discipline. This course is unique. I explicitly connect microeconomic theory and step-by-step problem-solving skills that I have developed. Memorize and practice these problem-solving skills. As you can see, this third goal, is the sum of the first two goals. These are the skills you will use throughout your life in professional and personal decision-making and problem solving.

Keep your eye on the prize -- Expert problem-solving ability is rare.

This course is required for the bachelors in economics degree, it serves as a prerequisite for some MA students, and there are often many applied math students in the course. So you see there is a diverse skill/experience set in each class. CAPITALIZE on one another’s strength to help you learn more. Working in groups is an important skill to develop and list on your LinkedIn page. Also realize that some students will be working hard because they cannot risk a grade less than B; do not count on a curve.

Course Goals

Program Learning Outcomes

PLO 1: Application -- Explain how intermediate-level microeconomic tools of consumer, producer theory, and markets relate to and support the economic tools learned in principle courses.

PLO 2: Tools -- Display facility with the mechanics of intermediate microeconomic tools by answering tool-based exam questions quickly and completely.

Course Learning Outcomes

CLO 1: Display facility with the mechanics of microeconomic tools by answering tool-based exam questions quickly and completely.

CLO 2: Connect economic tools with applications as demonstrated in class lectures and de novo by applying the tools to Wall Street Journal articles.

CLO 3: Demonstrate the ability to comfortably present reasoned responses to complex questions using the problem solving steps/techniques inherent in microeconomics by responding to in-class questioning, making in-class presentations and written examinations.

CLO 4: Demonstrate an understanding of the differences between expert and novice problem solvers by answering exam questions and participating in in-class discussions.

CLO 5: Use structured problem-solving techniques to do positive analysis of complex, ill-defined problems.

Required Texts/Readings

Textbook:

Get a bunch of used INTERMEDIATE Micro level textbooks or borrow from the library. Use several books, YouTube videos, Kahn academy links etc.

Recommended: Wall Street Journal online. You need WSJ for two assignments but more importantly you should also think of the WSJ as an investment in your human capital. Here is a tip from a top head-hunter: **“don’t hire anyone you wouldn’t want to spend three hours alone with in a canoe.” Would three hours with you fly by or drag on, seemingly forever? What would you talk about?**

Other required material

You MUST have a **clear, plastic 6-inch ruler** and several colored pens or pencils for all exams. It must be see-through plastic. These are the ONLY type of rulers allowed on the exam. If you CHOOSE to come to an exam without a see-through plastic ruler, you can rent one from me for a dollar.

Course Requirements and Assignments

Final Examination or Evaluation

There is an Optional Replacement **Final** exam. If you are satisfied with your course work and grade you can opt out of the comprehensive final. If you missed a mid-term or did horribly, you can replace that mid-term grade by taking the ORF. You must sign-up to take this test on the last day of the class. Please note, this exam is comprehensive over both mid-terms so even if you only want to replace one mid-term score, you have to take the test over all material. The questions for the ORF can be verbatim from the first two tests or with slight modifications to better test understanding and discourage mindless memorization. The optional replacement test counts even if it is lower than either exam 1 or exam 2. **There is no curve possible for the Final Exam.**

Grading Information

Grades are determined by the following percentage scale:

<u>Below</u>	<u>To:</u>	<u>Grade</u>	<u>Below</u>	<u>To:</u>	<u>Grade</u>	<u>Below</u>	<u>To:</u>	<u>Grade</u>
100.0	97.0	A+	97.0	93.0	A	93.0	90.0	A-
90.0	87.0	B+	87.0	83.0	B	83.0	80.0	B-
80.0	77.0	C+	77.0	73.0	C	73.0	70.0	C-
70.0	67.0	D+	67.0	63.0	D	63.0	60.0	D-

Determination of Grades

Use the “Track Your Progress” worksheet to keep abreast of your individual and team scores.

Your grade will be determined by two, equally-weighted 2 hour exams (100 points each), plus your average Team score, and any Extra Credit points. Exams are a combination of 4 to 5 short answer and graph worth about 100 to 150 points and *maybe* multiple-choice questions worth about 50 points

EXAM 1: Consumer theory problem-sets, Complex questions, Deriving Individual Demand, Horizontal Summation of Market demand, Price elasticity of demand, Consumer Surplus, Property Rights, Trade, Benefits from Trade, Gains from Specialization.

EXAM 2: Producer theory problem-sets, Complex questions. Deriving Individual Supply, Horizontal Summation of Market Supply, Price elasticity of supply, Producer Surplus, Monopoly, Deadweight Loss under taxation.

TEAM: Your average score on all team assignments is equivalent to one exam. Remember if you are voted off your team, then this average cannot be more than a C and may be less. Check “Rules for Team Votes”. As you can see from the equal weight given to Team Scores, this work is taken seriously.

ORF EXAM: This is the optional replacement **final** exam. You must sign-up to take this test on the last day of the class. This exam is comprehensive. The questions can be verbatim from the first two tests or with slight modifications to better test understanding and discourage mindless memorization. The optional replacement test counts even if it is lower than either exam 1 or exam 2. **There is no curve possible for this test.**

FINAL COURSE GRADE = # correct on Exam 1 + # correct on Exam 2 + # points earned on Team Activities + Extra Credit points = TOTAL divided by 3.

Team Coursework And Rules

Your team score comes from the following activities: 2 Boot Camp Oral Exams, 2 In-Class Presentations; 2 Office Visits, 2 WSJ articles, 2 Worksheets and Other Minor Activities as needed (TBD). Each major activity is discussed in detail below.

Presentation rules: Each team-member must be ready to explain responses to pre-assigned team questions. Answers are presented on a white-board before the class. **No notes allowed.** You must be prepared – You cannot waste the class time. It is a random selection process, hence the same people may present repeatedly. If you are not present and your name is called to present your **personal team score** is reduced 20 points (no absences allowed). If you are present when your name is called and decline to present, then **your personal team score** is reduced by only 10 points because I appreciate that you are not wasting class time. Another member of your team will be randomly selected. Come to class and be prepared to present. Your responses are important to the entire class as these questions are the primary subset for the exam.

Being Voted In/Out Rules: If you shirk in your responsibilities to meet with your team and help with assignments then you may be voted “Off the Team.” Votes are conducted in-class on three scheduled dates (see course calendar attached). You will have a ballot to vote your team members In or Out. Out means that there was poor attendance, poor participation, and no substantive contribution to the group up to that point in the semester. Being Out means you are penalized 20 percentage points from your total group score. Your Team Score cannot be more than 72% but it can be less. Also you will not be able to count extra credit. You are considered “Out” if two or more group members vote you out, on at least two of the three votes.

My Recommendations for Team Success: Meet Often. If the group is stuck on a question email me/SKPE. I may be able to help immediately. **Make Sure every** group member is pelted with “Why” questions and gets time to practice responding before the group. **Give Feedback** on presentation and communication skills.

Team Bootcamp Oral Exams: It is possible to LOSE 0, 10, 20 points from your team total. Two team members are randomly selected to answer an oral exam question in a separate room. You must be ready to Explain and Graph (as needed) on white board within 5 minutes. Time is over at 7 minutes. You are given questions to prepare. One question is randomly selected. If you are in a group that loses points, you can try to *individually* regain those points by answering a Bootcamp Recoup question on the exams.

Bootcamp Oral Exam 1 – Complex Question (No Recoup possible)

Bootcamp Oral Exam 2 – Indifference Curves and Budget Constraints (Recoup possible on Exam 1)

Team In-Class Presentations: 75 points total, 25 points each. There will be 3 in-class questions that each group must present: one assigned question for Consumer Theory, one assigned question for Producer theory and one for Markets. I reserve the right to increase the number of presentations if time permits.

Rubric: 5 points each for (1) Complete and Correct Graph, (2) Correct intuitive interpretation/reading/explanation of the graph, (3) Clear and Confident presentation skills, (4) Teaching others by explaining problems your team encountered, hints, and suggestions, (5) Ability to answer class questions. If the class does not ask questions then you get no points in this category. It would be appropriate for your teammates to have a question or two ready just in case this happens.

Team Office Visits: 20 points total, 10 points each for 2 visits. You are required to send a minimum of two team members to meet me in my office no later than the Friday, **one week** before each exam. I do not care who comes to see me or how many times above 2. Draw straws if you must. Each meeting takes an average of one hour. Prearrange these meetings via email. Note you are more than welcome to meet me more often but NOT the day before an exam.

Team Activities – Turn in each assignment in-class on due date with a cover sheet. The cover sheet lists the Primary Contributor(s); Secondary Contributor(s); Other Participant(s). For each contributor group, briefly describe the work done e.g., organizing, writing-up comments, pulling team together to get the project done. Explain how the team allocated the responsibilities for each activity.

1. **Wall Street Journal:** 30 points total, 15 points for each assignment. Write an exam question based on information in a current WSJ article. You need a brief synopsis of the relevant issues in the article – give the details someone would need to understand the questions. Ask a question related to Consumer Theory or Producer Theory. Answer the question using the problem solving skills developed in class. Remember cover sheet. Find original articles! Repeated articles are penalized 2 points for each group that uses it.

2. **Chunking Knowledge Worksheet:** 30 points. Turn in a single, neat and comprehensive worksheet (can be expanded in size). This Worksheet has a Consumer Theory component (15 points) and a Producer Theory component (15 points). The objective is to **relate and connect** this knowledge. One per team. Remember to include a cover sheet. Everyone should study from this worksheet. ***DO NOT be limited*** by the size of the boxes on the spreadsheet. Organize the material in an intelligent manner. Divide the work between the group. The same people who are primary contributors on the Consumer Theory component cannot also be primary contributors on the Producer Theory component.

3. **Patterns in Producer Theory Worksheet:** 30 points. Turn in a single, neat and comprehensive worksheet (can be expanded in size). **One per INDIVIDUAL**. Team score comes from one or two worksheets that I randomly select to grade. If you fail to turn in your individual worksheet you lose 15 points.

Individual Extra Credit Activities

You can add a maximum of 15 EC percentage points to your total score by doing various extra credit activities, such as asking great questions in class (up to a total of 5 points), a Provocative Lecture assignment (two opportunities up to 5 points each). See STRICT instructions for Provocative Lecture -- this is not a give away so do not take it lightly. Students demonstrating strong questioning skills get higher scores. Submit Prov. Lecture on time to the email address - OrtegaExtraCredit@gmail.com

Really – if you do not follow the FORMAT instructions exactly I will not look at your paper.

University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>

Econ 101 Intermediate Microeconomics, Spring 2018

Course Schedule

The schedule is subject to change with fair notice via Canvas email

Course Schedule

Week	Date	Topics, Readings, Assignments, Deadlines
1	01/24	Problem Solving, Form Teams, Prepare for Boot Camp – Problem Solving
2	01/31	Boot-Camp 1. In-Class Teamwork on Consumer Theory part of Chunking Knowledge worksheet while conducting Boot Camp.
3	02/07	Warm-up on Expert versus Novice. Consumer Theory Lecture.
4	02/14	Continue Consumer Theory, Property Rights/Trade Lecture, Consumer Theory Problem Set.
5	02/21	Vote 1. Boot-Camp 2. Lecture Income and Sub Effect and Deriving Demand Continue Consumer Theory Problem Set. Turn-In Chunking Knowledge CT
6	02/28	Team Presentations and Exam 1 part 1. Turn-in First WSJ article.
7	03/07	Exam 1 part 2. After exam lecture on Costs Curves
8	03/14	Producer Theory Isoquants/Isocosts. Start Producer Theory Problem Set
9	03/21	Vote 2 Lecture on Producer theory. Work with groups on assignments Prepare Patterns in Produce Theory Worksheet.
10	03/28	SPRING RECESS
11	04/04	Turn-in Patterns in Producer theory worksheet. Turn-in Second WSJ article. Lecture on Perfection Competition
12	04/11	Team Presentations. Turn-in Chunking Knowledge CT + PT
13	04/18	Vote 3. Team Presentations if not completed. Prepare for Exam 2
14	04/25	Lecture on Monopoly. Prepare for Exam 2
15	05/02	Exam 2 Market Lecture
16	05/09	Finish Market Lecture. Exam 2 review. Sign-up for ORF. Must attend class.
Final Exam	05/16	1945 to 2200 Must Sign up during last class. No Curve.

DO YOUR RESEARCH!

Do not expect this to be a typical lecture class.

Consumer Theory and Markets

This section emphasizes learning Consumer Theory but “learning” is more effective if you make connections. This is where you begin to complete your chunking knowledge worksheet. Be able to compare, contrast, relate: 1. Indifference Curves and Isoquants; 2. Budget Constraints and Isocosts; 3. Utility Max and Cost Min. In words and symbols carefully explain the intercepts of Budget Constraints and Isocosts; the slope of the Indifference curve, Budget constraint and Isoquant, and Isocost – demonstrate that you can READ slope (have a story to explain slope). Know how to use the tools to look at applied economic questions. Be able to explain the importance and the relevance of the income and substitutions effects to the demand curve. Be able to explain how to derive an individual demand curve and a market demand curve. Read articles on Property Rights. Go beyond the tools and understand what is being traded and the gains from trade. Where is consumer surplus on the indifference curve diagram? Explain price elasticity of demand, factors that make an item more or less elastic. Is price elasticity evident in indifference curve/budget constraint diagrams? How?

Producer Theory and Markets

You should already know much about the mechanics of Isocosts and Isoquants because you connected them to Budget Constraints and Indifference curves. Know how to go from long run Isocost/Isoquant graph to a short-run Total Product graph. Know about the expansion path and what it means for a firm to be off the expansion path. Know the relationship between Total Product and Total Cost; Marginal Product and Marginal Cost. Know how to derive Average total Cost, Marginal Cost and Average Variable cost from a given Total cost curve. Know how to explain WHY the Average cost curves and marginal cost are U-shaped. Know how to explain why MR is horizontal. Know when a firm should shut down and/or exit. Know how to explain and graph a firm’s response to changes in variable cost, fixed cost, sunk costs and market demand. Explain the firm’s individual supply curve (where does it come from). Explain how to go from individual to market supply. Understand producer surplus. Watch the WSJ online video: Why clothes might not be made in China much longer: <http://on.wsj.com/XbHJKP> Be able to relate both firms to producer theory in perfect competition.

RESOURCES INFORMATION

I strongly recommend that you research YouTube videos, Khan Academy videos, and various textbooks. Intermediate Microeconomic material is the same across all textbooks. Some may have better graphs, some may have mathematical explanations, some may have interesting stories using the tools. For your comfort and convenience, here are the topics and the chapters that correspond to Browning and Zupan 11th edition.

Chapter Title and Chapter Number from eBook	Browning and Zupan 11 th ed Chapter Number
1. The Theory of Consumer Choice	3
2. Individual and Market Demand	4
3. Using Consumer Choice Theory	5
4. Production	7
5. The Cost of Production	8
6. Profit Maximization in Perfectly Competitive Markets	9
7. Using the Competitive Model	10
8. Supply and Demand and Elasticity	2
9. Monopoly	11

EXTRA CREDIT David S. Saurman Provocative Lecture Assignment Guidelines

Attend one of the Provocative Lecture speaking events and write an evaluation of the presentation.

FORMAT REQUIREMENTS: Follow these instructions EXACTLY or you will receive ZERO points

Use a **header** (absolutely no titles) with this information:

First Name Last Name
Econ 101 Spring 2017

Date: _____
Provocative Lecture Speaker: _____

Two-pages maximum. Use Times New Roman 12 point font.
A Page has one-inch margins all around—single spaced – I will measure.
Paragraphs are single-spaced. Double-space BETWEEN paragraphs.

*This must be your original work, based on your attendance at the event, **no collaboration allowed**.* Violations fall under Campus Academic Honesty provisions.

CONTENT REQUIREMENTS: Your evaluation must contain this readily identifiable information

1. First Paragraph: Begin your paper with a brief introduction that addresses the following questions in about 4 to 6 sentences. What position is the speaker arguing? What issue is being explored? What is controversial about this issue or position? In what way is this presentation related to economics? Summarize the speaker's objective. This is critical. If you do not state your understanding of the speaker's objective you will not be able to do section two below. Don't waste time restating the speaker's biography. State the speaker's name and objective. Here are four sample sentences that would easily complete your first paragraph:

In the Provocative Lecture, Professor Ortega argues, explains, examines (pick-one active verb) _____
The evidence included charts, anecdotes, historical _____
This controversial perspective pits the _____ view of _____ with Professor Ortega's view
that _____ is _____.
Overall, Professor Ortega's objective was to _____

2. Subsequent Paragraphs: Present 2 to 3 key points the speaker makes to achieve his/her objective. *Briefly* repeat the key points. What matters most is your critical assessment of the validity and persuasiveness of these key points. I do NOT want you to simply repeat the key points—I will be attending every lecture so I already know what the speaker said. I want to know what YOU THINK about what the speaker said. Was this point persuasive, provocative, well developed, and essential? Did your thinking change on this point? What was missing? How does this point differ from the "typical" view if any, in other social sciences or disciplines? If it was convincing, then explain why. If you want to state the speaker's key points in separate paragraphs or short bullet lists followed by a larger paragraph with your assessment that is fine.

Your assessment content should be longer than the key-points content. Assessment should focus on reasoning NOT feelings.

DUE DATE:

The class meeting that meets the *week after* the lecture.

Submit electronic WORD document only as attachment to OrtegaExtraCredit@gmail.com

No later than 6 p.m. on the day the class meets -- the *week after* the lecture.

GRADING:

5 points for Excellent papers. An excellent paper has no more than two spelling or grammatical mistakes. It is clearly organized and succinctly captures key elements of the presentation. It demonstrates original content and "critical thinking" about the issue.

4-3 points for Good papers. A good paper has up to four spelling or grammatical errors. Paper looks professional and is well organized but content is more of a recitation of events rather than an evaluation that states original thinking. It focuses on important issues discussed in the presentations.

1-2 points for Fair papers. A fair paper has up to 6 spelling or grammatical errors. Organization is not clear. The author makes a few points that are repeated throughout the paper. The focus is on nonessential issues.

0 points will be given if the paper does following:

- Deviates from the format, due date, or content requirements described in this instruction sheet;
- Has more than 6 spelling or grammatical errors;
- Primarily repeats statements made at the event without providing analysis;