

Econ 50 Syllabus, Summer '07-'08

Manuj Garg
manuj@stanford.edu

*“And just how far would you like to go in?” he asked...
“Not too far but just far enough so’s we can say that we’ve been there,” said the
first chief.
“All right,” said Frank, “I’ll see what I can do.” – Bob Dylan*

Lectures: Tue, Thur 11a.m.-12.50p.m.
(in Econ 140)
Office Hours: Thur 2-4p.m.
(in Econ 346)

Teaching Assistant: Annika Todd
annitodd@stanford.edu
Office Hours: Tue 1-5pm
(joint with Econ51, Location: TBD)

Overview

Economics 50 is the first course in the Economics Department’s undergraduate “core” curriculum (Econ 50-51-52), a year-long survey of intermediate microeconomics and macroeconomics. Microeconomics is the study of the efficiency of choices made by individual economic units such as consumers, workers, and owners of firms, who have limited resources. Econ 50 will introduce you to the basic models of microeconomic theory and the mathematical tools widely utilized in theoretical and applied microeconomics.

Prerequisites

The prerequisites for the course are Economics 1A or an equivalent course and Math 51.

If your mathematics knowledge needs brushing-up on (multivariable calculus, unconstrained and constrained optimization), you may wish to review the material presented in the Mathematical Appendix at the end of the textbook (see below). I’ll also provide a brief ‘math-tools’ write-up for you to read in your own time.

CourseWork Website

The course website is <http://coursework.stanford.edu>. If you are officially registered through Axxess, then Econ 50 should automatically show up on CourseWork for you. The Syllabus on

the course website will have the most up-to-date information about our schedule. I will use the *Announcements* tool to communicate with you. I will also use the *Discussion* section as a repository of answers to your questions, about the course material and anything else pertinent to the course. Students have found this **very useful** in the past and I encourage you to use it throughout the quarter. The *Materials* section will contain problem sets, solutions to them, past exams, their solutions and all other material. I will not distribute hard copies of materials in class. The *Gradebook* will have scores of all your graded problems sets and exams.

Textbook

The required textbook for this course is:

D. Besanko and R. Braeutigam, *Microeconomics*, 3rd edition, John Wiley & Sons, 2008.

The book is available at the Stanford bookstore. Copies of the textbook are available on reserve at Green Library. In case you have access to the second edition of the book, that should also be fine.

The textbook is somewhat less mathematical than the approach we'll use in class. However, it provides a substantial amount of conceptual detail, case studies and examples based on actual empirical research by economists that serve as useful complements to the lectures. Make sure to read the assigned chapter, including the appendices, prior to class.

Course Grades

The course grade will be composed of the weighted average of three grades as follows:

1. Problem Sets (Best 5 of 6): 25%
2. Midterm: 30%
3. Final Exam: 45%

Numerical scores will not be converted to letter grades until the very end of the quarter. Specific letter grades will not be assigned to individual homework assignments or exams.

Problem Sets

There will be six Problem Sets (PS). The PS will be posted on CourseWork, and will be due in class on the date mentioned in the PS. I will post answers to the homework on CourseWork right after they are due, so late problem sets cannot be accepted. Graded PS will be returned to you in a week.

Your PS with the lowest score will be dropped from your grade calculation. This will give you a chance to skip one at your discretion without being penalized. Please use this option wisely over the quarter: there will be no other exceptions for missing a problem set.

It is fine to work in groups on the problem sets but each student must turn in his/her own individual write-up.

Examinations

There will be two exams:

1. **Midterm:** The Midterm will be a closed book, in class exam held on Thursday, July 22, 2008 during the usual lecture time.
2. **Final Exam:** The Final Exam will be a closed book, in class exam held on Saturday, August 16, 2008 from 8:30-11:30 a.m.

PLEASE NOTE THAT THERE WILL BE NO MAKE-UP EXAMS AND NO EARLY OR LATE SITTINGS FOR EXAMS.

Policies

Economics Department Courses have a common set of course management policies governing missed exams and re-grading. You are responsible for knowing these policies: <http://www-econ.stanford.edu/academics/courses.html>.

I expect students to attend classes and take notes. This is an essential part of the learning process. Late work, whether problem sets or exams does not count for course credit. It gets a grade of zero. There will be no exceptions besides those stated in the abovementioned document.

Disability Issues

Students with documented disabilities: Students who have a physical, psychological, or learning disability that may necessitate an academic accommodation or the use of auxiliary aids and services in a class must initiate the request with the Disability Resource Center (DRC). The DRC will evaluate the request along with the required documentation, recommend appropriate accommodations, and prepare a verification letter dated in the current academic term in which the request is being made. Students should contact the DRC in the first week of the quarter as timely notice is needed to arrange for appropriate accommodations. The DRC is located at 563 Salvatierra Walk. Also see <http://www.stanford.edu/group/DRC/>.

Be sure that the DRC, you and I have a common understanding, at least two weeks before any examination, of the precise logistical arrangements by which you will be accommodated.

Schedule

This course is taught over a period of ten weeks during the regular academic year. We have two weeks less which might force us to go slightly quicker than usual. However, I'll calibrate the exact content to be covered as we go along based on how comfortable the class is with the speed. As of now, the tentative plan is as follows.

- **Week 1:**

- Course Overview; Introduction to Microeconomics; Key Analytical Approach.
Besanko and Braeutigam (B&B), Chapter 1
- Demand and Supply Analysis; Elasticities.
B&B, Chapter 2
- PS 1 made available: Jun 26

- **Week 2:**

- Consumer Preferences; Indifference Curves and Utility Functions.
B&B, Chapter 3
- PS 1 due, PS 2 made available: Jul 3.

- **Week 3:**

- Consumer Choice; Budget Constraints, Optimal Consumer Choice and Revealed Preference.
B&B, Chapter 4
- PS 2 due, PS 3 made available: Jul 10.

- **Week 4:**

- Demand Theory.
B&B, Chapter 5
- Midterm Review.
- PS 3 due: Jul 17.

- **Week 5:**

- Midterm: Jul 22.
- Inputs and Production Functions; Returns to Scale.
B&B, Chapter 6
- PS 4 made available: Jul 24.

- **Week 6:**

- Cost Minimization and Cost Curves.
B&B, Chapters 7, 8

– PS 4 due, PS 5 made available: Jul 31.

• **Week 7:**

– Perfectly Competitive Markets and Applications.
B&B, Chapters 9, 10.

– PS 5 due, PS 6 made available: Aug 7.

• **Week 8:**

– Monopoly and Monopsony.
B&B, Chapter 11

– Final Review.

– PS 6 due: Aug 14.

• **Week 9:**

– Final: Aug 16.