GENERAL INFORMATION

INSTRUCTOR: Lance Howe, Ph.D.
EMAIL: elhowe@uaa.alaska.edu
PHONE: 786-5409
OFFICE: RH 214; DIP 501D
OFFICE HOURS: Thurs. & Fri., 12-1pm
COURSE HOURS: T,TH 4-6:30
SECTION #: 3
ROOM #: (main room): RH 303
(phone): RH 210; RH 202
COURSE DATES: January 17-March 7
COURSE WEB PAGES:
main: http://www.iser.uaa.alaska.edu/iser/people/elhowe/ECON_S06
other: econ.aplia.com

COURSE OBJECTIVES

This is a course in principles of microeconomics. Similar to standard courses we will cover core economic concepts (as described in the course outline). In addition, we will integrate experimental methods of economics throughout the course in order to more effectively communicate core concepts. As such, in addition to lectures, readings, and analytic problem solving we offer students a hands-on method to better understand principles of microeconomics.

Economics is a social science. Similar to other sciences, economists typically explore economic questions within the confines of an economic model. As we will see, certain questions can also be explored in the “economics laboratory.” At the micro level economists are particularly interested in behavioral issues. That is, given a certain set of rules, or an institutional framework, how do human subjects act or behave. When the environment or the rules change, for instance, the introduction of price controls or the concentration of market power with one buyer or seller, how does behavior change? From this “positive” framework (what is the case given certain assumptions) “normative” conclusions (what ought to be the case) can be drawn by policymakers. As such, economics is an important tool used in a wide range of disciplines including law, public policy, health, banking, business, forestry, wildlife management, and agriculture. Throughout our studies we will seek to apply what we are learning to contemporary issues.

Students who successfully complete the course should have a better understanding of microeconomics, experimental economics, and the market system in general. Students will be equipped with new analytic tools that can be applied in one’s field of choice.

REQUIREMENTS AND GRADING

REQUIRED RESOURCES:
  by Theodore C. Bergstrom and John H. Miller
✓ Aplia subscription (http://econ.aplia.com see page 6 for details) to access:
  by Alan Blinder and William Baumol
APLIA: As noted above, Aplia is a required resource. I am requiring this mainly because the Aplia online Baumol and Blinder textbook cost is less than ½ of the physical textbook price — if you wish to purchase a new paper copy of the textbook, you may through Aplia at a significantly discounted price. In addition, we may use Aplia experiments throughout the course. The last page of the syllabus contains the Aplia registration information.

In the course schedule below, we have mapped out the reading schedule that corresponds with the outline we will most likely follow in this course. I suggest that you print out the Baumol and Blinder chapters from Aplia.com during the first week of class or save them as PDF files that you can easily reference later in the course.

**OPTIONAL:**

- It is recommended that you periodically read the business sections of major newspapers (all available online) including the Anchorage Daily News, the New York Times, and the Washington Post. Better yet, you can subscribe to the Wall Street Journal. The Journal offers a special student subscription for one semester that includes hard copies plus unlimited online access for around $35. You can register by filling out an in-class form, calling 800-975-8602, or register online at: [http://subscribe.wsj.com/semester](http://subscribe.wsj.com/semester)

- Check out [www.collegejournal.com](http://www.collegejournal.com) – the Wall Street Journal’s free webpage for students – includes job listings and internship opportunities.

**GRADING:**

The course grade will be determined as follows:

- Problem Sets: 20%
- Attendance and Experimental Payoffs: 10%
- Midterm: 30% (Tuesday, February 14)
- Final Exam: 40% (Tuesday, March 7, 4-6:30)

These scheduled exam times are firm and if they conflict with your schedule, we need to discuss alternatives during the first week of class. There are generally no makeup exams. For students who miss an exam due to a documented emergency or University sponsored event, other contributors to the course grade will be weighted more heavily.

As with other courses here at UAA, students must adhere to complete academic integrity. In this course, we will strictly adhere to the guidelines set by the University.

**EXPERIMENTS AND PROBLEM SETS**

In general, we plan to run experiments on Thursdays in a laboratory during the last hour of the class. In the course schedule below, we have identified prospective dates for experiments. We plan to run experiments Thursday and debrief the experiment on the following Tuesday. It is very important that you are present during experiments. There is very minor prep work, or “pre-experiment reading,” that you should plan to complete prior to class in order to do well on experiments.
Note that experiments count two ways toward your grade. First, you are graded based on performance in a particular experiment. Attendance and experimental payoffs will make up 10% of your final grade. Second, most of the homework will be based on analyzing outcomes from experiments. Homework makes up 20% of your final grade.

The problem sets you will be asked to solve will be a tremendous aid to you in understanding key course material. Problem sets will be announced in the class and experimental results needed for each assignment will be posted on the course webpage. Solutions to the assignments will be posted on the due dates and consequently, **NO late homework can be accepted.**

**Important Note:** As you know this course has about half the number of days as a traditional semester course (our final exam is on March 7). As a result, we have a very intense schedule during the days that we meet. It is really important that you come to class (missing one day is like missing two days of a regular semester long class) and keep up with the readings. The payoff for your hard work will include an in-depth knowledge of microeconomic principles and, as a bonus, you will be done with this class before spring break!

Here are some study hints:
1. Come to class prepared and engaged
   - skim or read material before class
   - take good notes and ask questions
2. Interact with material after class
   - re-read chapters after class paying particular attention to concepts discussed in the lecture
   - revisit your class notes and highlight concepts that you are having difficulty with, write out your question, and ask it in the next class or during office hours
3. Start on the homework early
4. Form a study group with other students

A projected course outline is given below. While considerable effort will be made to stick to this outline **some modifications may be necessary.** We will discuss changes to the course outline in class and the most up to date version will be posted on the class webpage.
# Course Outline:

| Class # | Date                  | Topics                                                                 | Experiment 1: *Double Oral Auction*  
|---------|-----------------------|------------------------------------------------------------------------|-------------------------------------  
| 1       | Tuesday, January 17, 2006 | Organization and Introduction, Experimental Methods, Scarcity and Opportunity Costs | experiment prep: read Bergstrom and Miller (EEP) pp. 1-6  
| 2       | Thursday, January 19, 2006 | Introduction to Supply and Demand, Exploring Demand | Experiment 2: *Shifting Supply and Demand*  
|         |                       | **Pre-class experiment prep:** read EEP pp. 39-41  
|         |                       | **Pre-class reading:**  
|         |                       | Bergstrom and Miller (EEP) pp. 7-24  
|         |                       | Baumol and Blinder (BB) Ch. 3 "Scarcity and Choice" and Ch. 4 "Supply and Demand: an initial look"  
| 3       | Tuesday, January 24, 2006 | Exploring Demand (cont.), Elasticity  
|         |                       | **Pre-class reading:**  
|         |                       | EEP pp. 42-52 & 401-413  
|         |                       | BB Ch. 5 "Consumer Choice" and Ch. 5 Appendix & Ch. 6 "Demand and Elasticity"  
|         |                       | HW #1 Due: - EEP pp. 29-38  
| 4       | Thursday, January 26, 2006 | Elasticity (cont.), Production and Costs  
|         |                       | **Experiment 3:** *Sales Taxes*  
|         |                       | experiment prep: read EEP pp. 59-61  
|         |                       | **Pre-class reading:**  
|         |                       | BB Ch. 7 "Production, Inputs, and Cost"  
|         |                       | EEP pp. 42-52  
| 5       | Tuesday, January 31, 2006 | Production and Costs (cont.), Profit Maximization and Marginal Analysis | EEP pp. 53-56 & Handout on Demand and Elasticity  
|         |                       | **Pre-class reading:**  
|         |                       | EEP pp. 62-84  
|         |                       | BB Ch. 8 "Marginal Analysis and Maximization of Total Profit"  
| 6       | Thursday, February 02, 2006 | Profit Maximization (cont.), The Firm and the Industry | **Experiment 4:** *Minimum Wage*  
|         |                       | experiment prep: read EEP pp. 119-122  
|         |                       | **Pre-class reading:**  
|         |                       | BB Ch. 10 "The Firm and the Industry Under Perfect Competition"  

Page 4 of 7
<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Activity</th>
<th>Assignments</th>
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</thead>
<tbody>
<tr>
<td>7 February 07, 2006</td>
<td>Tuesday</td>
<td>The Firm and the Industry (cont.)</td>
<td>Market Efficiency and Interventions</td>
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<td><strong>Pre-class reading:</strong></td>
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<td>BB Ch. 4 pages 65+; Ch. 14 “The Price System and the Case for Free Markets”</td>
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<td>8 February 09, 2006</td>
<td>Thursday</td>
<td>Market Efficiency and Interventions (cont.)</td>
<td>Review for Midterm 1</td>
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<td><strong>Experiment 5: Monopolies</strong></td>
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<td><strong>experiment prep:</strong> read EEP pp. 185-191</td>
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<td>9 February 14, 2006</td>
<td>Tuesday</td>
<td>Exam #1 (4:00 - 5:30)</td>
<td>Monopoly and Oligopoly</td>
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<td>10 February 16, 2006</td>
<td>Thursday</td>
<td>Monopoly and Monopolistic Competition</td>
<td><strong>Experiment 6: Externalities and Public Goods</strong></td>
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<td><strong>experiment prep:</strong> read EEP pp. 155-158</td>
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<td><strong>Pre-class reading:</strong></td>
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<td>BB ch. 11-12</td>
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<td>EEP pp. 192-211</td>
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<td>11 February 21, 2006</td>
<td>Tuesday</td>
<td>Externatilities and Public Goods</td>
<td>Pricing the Factors of Production</td>
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<td><strong>Pre-class reading:</strong></td>
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<td>EEP 159-170</td>
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<td>12 February 23, 2006</td>
<td>Thursday</td>
<td>Pricing the Factors of Production (cont.)</td>
<td><strong>Experiment 7: Auctions</strong></td>
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<td><strong>Pre-class reading:</strong></td>
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<td>BB pp 127-131 &amp; chapters. 19 -20</td>
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<td>13 February 28, 2006</td>
<td>Tuesday</td>
<td>Auctions</td>
<td><strong>Pre-class reading:</strong></td>
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<td>EEP 351-369</td>
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<td>14 March 02, 2006</td>
<td>Thursday</td>
<td>Course Review</td>
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<td>15 March 07, 2006</td>
<td>Tuesday</td>
<td>Final Exam</td>
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**DO NOT PURCHASE A TEXTBOOK AT THE BOOKSTORE UNTIL YOU READ THIS**

You will be using Aplia for this course. Aplia is an online product that contains both a digital version of the textbook and online homework.

Your course key is: P2TY-3ZWA-5ZWQ

How to Use Aplia

Step 1: Register for Your Aplia Course

First Time Aplia Users:

1. Connect to http://econ.aplia.com
2. On the Sign In page, click the Go button next to "Test Your System Configuration"; this takes just a few seconds and provides detailed information on how to update your system if necessary
3. Head back to the Sign In page and click the "Register Here" link
4. Fill out the form and click Continue
5. Enter Your Course Key (above)

Returning Aplia Users:

1. Connect to http://econ.aplia.com and sign in using your usual e-mail and password
2. Enter your course key (above)

Problems with registration or sign in? You can always e-mail Aplia by clicking on the "Help" link in the upper-right corner of any page or by e-mailing support@aplia.com.

Step 2: Pay for Your Aplia Course

1. Pay for your Aplia course ($60.00)
   - Your course includes a digital edition (online version) of the textbook as well as interactive assignments.
   - Instructions on the Aplia website walk you through the payment process.
   - You can pay online with credit, debit, or electronic check. Aplia also accepts money orders mailed to: Aplia, Inc., 959 Skyway Rd, Suite 325, San Carlos, CA 94070.

2. Optional: Order a physical textbook (an additional $50.00 plus $5.00 in shipping and handling)
   - After you pay for your Aplia course, you can order a physical textbook directly through Aplia. Just sign into your Aplia course, click on the Bookstore link on your Home page, and follow the prompts to place your order.
• You can view Aplia’s refund policy on textbooks in Aplia’s Terms and Conditions of Use: http://econ.aplia.com/af/support/terms.jsp?

Grace period for payment: You may register and use the website until 01.31.06 without paying the fee. If you are considering dropping this course during the drop/add period, do not make a payment until you decide to stay in the course. You need to pay the full amount before the end of the grace period to continue using the site.

Aplia assignments: Most assignments come in pairs of practice problem sets and graded problem sets. Practice problem sets give you immediate feedback and an explanation of the correct answer. They do not count toward your homework grade. Use them to check your understanding of the material. If you feel confident about the material, you can go directly to the graded set and refer to the practice set only if you want some help.

The graded problem sets have a firm due date. You can change your answers as many times as you like before the due date passes. Once the due date passes, Aplia records your grade and you can no longer change your answers or complete the assignment. In other words, Aplia assignments must be done by the due date. The software does not understand excuses. Do your assignments early to keep last minute emergencies from getting in your way. After the due date, Aplia displays the correct answers and explanations for graded problems.

Student benefits of Aplia: Cramming is an ineffective learning method. Aplia lets you learn by doing -- you can apply what you hear and see in the classroom and what you read in the text. Think of the regular assignments on Aplia as a weekly economics workout. Regular work in Aplia will better prepare you for lectures and exams.

Refund Policy: You are entitled to a refund if you submit a refund request to Aplia during the original grace period for payment. The grace period for your course expires on 01.31.06. No refunds will be granted after this date. Requests for refunds must be submitted by email or letter and received by Aplia within the stipulated time period. Contact support@aplia.com or write to Aplia, Inc., 959 Skyway Rd, Suite 325, San Carlos, CA 94070 USA, to request a refund.

Disclaimer: I receive no monetary benefit from requiring Aplia assignments.