

Summer 2008
Fisher-Bennett Hall 231

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Office hours: Before or after class on Saturday or by appointment

Course goals and objectives

This course is an introduction to part of economics called **Microeconomics** which studies how individuals and firms make decisions. The other main branch of economics is called **Macroeconomics** which looks at the economy as a whole and includes a discussion of topics like inflation and unemployment.

This course covers material essential to the education of M.G.A. students. Regardless of a student's specific interests or areas of specialization, the skills emphasized in this course are a prerequisite to effective administration of programs in the public, private, and not for profit sectors of the economy. The goals are for each student to understand the bases for the economic behavior of consumers and producers in a variety of contexts and situations and to be able to apply this knowledge to public policy questions and to the design and administration of programs in both public and private sectors. Students are expected to master the application of several key principles, including scarcity, cost-benefit, comparative advantage, increasing opportunity cost, efficiency, rational spending, market equilibrium, and externalities.

With the exception of the textbook, all materials used in the class will be available on the course Web site: <https://courseweb.library.upenn.edu> I will use it to post course announcement, PowerPoint slides for each week's lecture, problem sets, economic naturalist topics, and other useful information. It is your responsibility to check the Web site at least once a week.

The Web site is a secure site. To access the site, you must use your Penn ID and password. I will be using email occasionally to contact you. The "communication" folder at the course Web site shows the email addresses which the registrar has for you and which I will use. It is your responsibility to change your email address if the one listed is not one that you regularly check.

There will be a midterm examination (30% of course grade) on June 14 and a comprehensive final examination (45% of course grade) to be given on July 26. In addition, two "economic naturalist papers," which will be described in more detail during class on May 10, are required: one will be due May 31 (10% of course grade) and the second on June 28 (15% of course grade). There will also be weekly sets of problems assigned each Saturday and due the following Wednesday. These problem sets are critical to learning the material in this course. The purpose is not to test your knowledge but to help you learn the material. You are encouraged to work with other students. The problem sets will be evaluated to assist your own learning, but they will not be used to calculate your course grade. **Timely submission of answers to the problem sets is a course requirement. Students who fail to hand in these problems on a timely basis will not receive a satisfactory grade in the class.** The Bookstore also offers copies of the *Study Guide* for the main course textbook for those who find it helpful.

The last 30 minutes of most classes will be devoted to a discussion of current economic issues. These "**round-table**" discussions are an open forum for us to pose questions and comments about economic-related topics arising in real-life situations. For example, minimum wage, higher gasoline prices, outsourcing and off-shoring, etc.

There will be no incompletes given in the course. Students who miss either examination will fail unless they have obtained consent prior to their absence.

Grades

Grades will be computed based on the number of points obtained throughout the course. Assignments and points attached to them are as follows:

Economic naturalist papers:	250 points
Midterm	300
Final exam	450
Total possible points	1,000

Note when assignments are due. Although weekly **assignments** must be submitted **no later than 5:00 p.m. on the Wednesday of the week they are due**, I strongly urge you to complete a first draft of each assignment prior to the lecture and discussion on Saturday of each week. Use the time between the end of the lecture and the time the assignment is due to reinforce the learning objectives of that week and revise your assignment, if necessary. Each assignment should be submitted into Digital Dropbox on the aforementioned time. Assignments that are handed in after the time they are due will lose points equivalent to one letter grade for each late week and may not receive feedback other than a numeric grade.

Grading scale

A+	970 to 1,000 points (97% or higher)
A	920 to 969 (92 – 96%)
A-	890 to 919 (89 – 91%)
B+	870 to 889 (87 – 88%)
B	820 to 869 (82 – 86%)
B-	790 to 819 (79 – 81%)
C+	770 to 789 (77 – 78%)
C	720 to 769 (72 – 76%)
C-	690 to 719 (69 – 71%)
F	less than 690 points (69% or lower)

Textbooks

Robert H. Frank and Ben S. Bernanke, *Principles of Microeconomics*, 3rd edition, (McGraw-Hill Irwin, 2007).

Course expectations

PowerPoint slides for each lecture will be posted prior to each class for you to download, review, and annotate. Students are expected to attend class and participate in discussions and exercises. Class discussions and presentations are intended to provide opportunities for students to learn from each other and to become actively engaged in their own learning. It requires thoughtful participation, active listening, and the respect of others.

You should come to every class, on time, stay for the entire class time taking notes unless you have a family or health related emergency. If for some reason you are not able to come to class or you have to come late or leave early you need to contact me before class and let me know. When you must miss a class it is your responsibility to get lecture notes and assignments from another student.

Assignments are designed to help you achieve the course's learning objectives.

Student Collaboration

Students learn from each other; in many instances, a great deal. I encourage this and hope that each student will, when called upon, act as a peer mentor for colleagues who may not understand, say, a concept or the appropriate instructions to generate a table or graph. Obviously, doing someone else's assignment does not help that student learn, and I discourage this. In a similar vein, I will enforce the University's rules regarding plagiarism.

Course Schedule, Readings, and Assignments

Date	Topics	Readings	Assignment
May 10, 2008	Thinking Like an Economist	Chapter 1	Problem set
	Comparative Advantage: The Basis for Exchange	Chapter 2	
May 17, 2008	Supply and Demand: An Introduction	Chapter 3	Problem set
	Elasticity	Chapter 4	
May 24, 2008	Memorial Day Weekend (no Saturday classes)		
May 31, 2008	Demand: The Benefit Side of the Market	Chapter 5	Problem set
	Perfectly Competitive Supply: The Cost Side of the Market	Chapter 6	Economic naturalist paper due May 31, 2008
June 7, 2008	Efficiency and Exchange	Chapter 7	Problem set
	The Quest for Profit and the Invisible Hand	Chapter 8	
June 14, 2008	Midterm Exam (9:30 a.m. to 11:30 a.m.)		
	International Trade	Chapter 9	
June 21, 2008	Monopoly and Other Forms of Imperfect Competition	Chapter 10	Problem set
	Strategic Choice in Oligopoly, Monopolistic Competition, and Everyday Life	Chapter 11	
June 28, 2008	Externalities and Property Rights	Chapter 12	Economic naturalist paper due June 28, 2008
	The Economics of Information	Chapter 13	
	Labor Markets, Poverty, and Income Distributions	Chapter 14	Problem set
July 12, 2008	Bureau of Labor Statistics Surveys and Programs Overview of		
July 19, 2008	The Environment, Health, and Safety	Chapter 15	Study for final
	Public Goods and Tax Policy	Chapter 16	
July 26, 2008	Final Exam		

Note: Schedule subject to change in the event of unforeseen circumstances.

Additional Readings

- Carlino, Gerald A. and N. Edward Coulson. "Should Cities Be Ready for Some Football? Assessing the Social Benefits of Hosting an NFL Team," *Business Review*, Federal Reserve Bank of Philadelphia (Second Quarter 2004), pp.7-17.
- Crone, Theodore M. "Housing Prices and the Quality of Public Schools: What Are We Buying?" *Business Review*, Federal Reserve Bank of Philadelphia (September/October 1998), pp.3-14.
- Crone, Theodore M. "What Test Scores Can and Cannot Tell Us About the Quality of Our Schools," *Business Review*, Federal Reserve Bank of Philadelphia (Third Quarter 2004), pp.5-21.
- Hahn, Robert W., Paul C. Tetlock, and Jason K. Burnett. "Should You Be Allowed to Use Your Cellular Phone While Driving?" *Regulation*, Vol. 23:3, pp.46-55.
- Light, Audrey. "Job mobility and wage growth: evidence from the NLSY79," *Monthly Labor Review* (July 2006), pp. 33-39.
- Perrins, Gerald and Diane Nilsen. "Industry dynamics in the Washington, D.C. area: has a second job core emerged?" *Monthly Labor Review* (December 2006), pp. 3-20.
- Theodos, Brett and Robert Bednarzik. "Earnings mobility and low-wage workers in the United States," *Monthly Labor Review* (February 2005), pp. 34-47.