RES EC 102
INTRODUCTION TO RESOURCE ECONOMICS

Spring 2016
TuTh 1:00 to 2:15 pm
Morrill Science Center (1) Rm N375

Professor:  Dr. Nathalie Lavoie
Office:  220-A Stockbridge Hall
Phone:  545-5713
E-mail:  lavoie@resecon.umass.edu

Office hours:  Monday, Wednesday, Friday 1:00 to 3:00 pm by appointment. Please come prepared with a list of specific questions.

Teaching Assistant:  Ms. Kelly Miller  (khellman@resecon.umass.edu)
Office Hours:  Tuesdays 10:30 am to 12:30 pm, Stockbridge 215

☆☆☆ You should view Kelly as your primary contact regarding any technology specific questions (i.e., Aplia, Moodle, or iClickers).

Course Description and Objective:
Knowledge of economics is essential to anyone who wants to have a better understanding of the world in which we live. Economics is, however, a broad discipline. It covers an extremely wide range of topics and borders on many other fields of study. In this course we focus on one branch of economics – microeconomics.

In microeconomics we study the formation of markets and prices. We examine how economic decisions are made by consumers and producers. We seek to understand how economic markets work. What do they do well? What do they do poorly? What can be done to correct market failures?

In the first part of this course we will study microeconomic theories and models, which describe and explain the behavior of consumers, producers, and markets. In the second part of the course we will examine some of the shortcomings and weaknesses of economic markets. This brings us to a discussion of economic policy in which we will use economic concepts to examine some of the problems facing today's society; for example, how much government regulation of business is "best" and how much should we spend on pollution control?

This course bears the Social and Behavioral Science designation of the General Education Program. It aims to help students to become proficient in the theories and methods of the social sciences, and to develop critical thinking skills as they apply theories and methods to concrete social situations, and to demonstrate these proficiencies and critical thinking skills in writing.

Lecture Capture
☆☆ Lectures will be video and audio recorded and distributed in Moodle.
☆☆ Do note that there is no guarantee that the recordings will be of a sufficiently good quality as to be audible, clear or useful. Technical malfunctions are likely to occur from time to time. Students are advised to attend lectures rather than relying on the availability of recordings.
Required material:
1- A registration to Aplia. Aplia is an online product that contains both a digital version of the textbook and the homeworks that you will be required to do for this course.
2- iClicker2. This is a personal response system that you will use in class to respond to questions. **Clickers start counting towards your grade on January 26th.**
   ★★ You cannot share any of the above items.

Optional material:
2- Basic calculator: Once in a while you will need a calculator in class. Only basic calculators (no graphing or text storing calculators) will be allowed during exams.

Other Resource: The Learning Resource Center located on the 10th floor of the W.E.B. Du Bois Library offers tutoring services for various courses. Find out more at [http://www.umass.edu/lrc/](http://www.umass.edu/lrc/)

Grades:
Grades will be calculated according to the following percentages:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Homeworks</td>
<td>25%</td>
</tr>
<tr>
<td>iClickers</td>
<td>5% (or 0% if iClickers&lt;Final)</td>
</tr>
<tr>
<td>Writing component: - <em>Microeconomics in the News</em></td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>Midterm 1</td>
<td>25%, other one is worth 10%</td>
</tr>
<tr>
<td>Midterm 2</td>
<td></td>
</tr>
<tr>
<td>Final Exam</td>
<td>25% (or +5% if iClickers&lt;Final)</td>
</tr>
</tbody>
</table>

Note: No extra credit will be given under any circumstance.

The minimum percentages needed for course grades are as follows:

<table>
<thead>
<tr>
<th>Grade points</th>
<th>F</th>
<th>D</th>
<th>D+</th>
<th>C-</th>
<th>C</th>
<th>C+</th>
<th>B-</th>
<th>B</th>
<th>B+</th>
<th>A-</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course grade</td>
<td>-</td>
<td>60</td>
<td>63</td>
<td>67</td>
<td>70</td>
<td>73</td>
<td>77</td>
<td>80</td>
<td>83</td>
<td>87</td>
<td>90</td>
</tr>
</tbody>
</table>

The “Free Pass” System
★ For the some grading segments of this course you have a certain number of free passes. A free pass entitles you to drop a low score or miss an assignment for any that do not classify as “extenuating circumstance.”
★ Please use your free passes wisely as I do not offer make-up assignments for any other reasons.
Online Homeworks:
☆ Weekly homeworks will be given over the Internet using Aplia. You can expect between 12 to 14 homeworks during the semester.
☆ You can take the homeworks only with a registration to Aplia, see page 8 for how to register.
☆ You will usually have 7 days to complete each homework.
☆ Avoid procrastinating: failure to complete homework because of computer problems or any other personal reason is not a valid excuse.
☆ Problems with Aplia should be reported right away to Aplia using the custom Technical Support link for our course (see p.8). A general failure of the system should also be reported to me and the TA.
☆ An announcement will be made in class and in Moodle when a new homework is out. It is your responsibility to find out when homeworks are due.
☆ Two free passes.

In-Class Response System: iClicker
☆ iClicker is an in-class communication system. It uses wireless transmitters (what I call “clickers”) to allow students to send answers in response to questions that I will pose during class. It will allow me to find out how the class grasps the material as a group and generate classroom discussions. It will allow you to check and improve your understanding of the concepts during class.
☆ Every class period is weighted equally regardless of the number of clicker questions.
☆ For survey-type questions (blue Powerpoint background), you will earn full credit for participating. For other questions (orange Powerpoint background), you will earn 50 percent of the points for the correct answer, and 50 percent to participate. In other words, you earn at least 2.5 percent of your grade just for participating.
☆ Clickers are used to help you learn and should improve your grade. However, if your iClicker score is less than your Final Exam score, iClicker will be removed from your grade and its weight will be added to the final exam's weight.
☆ To get iClicker credits, you must be present in class and send your response to each question before the time expires (about 30 seconds). Given the nature of these assignments and the weight of each question on your final grade, under no circumstance you will be able to make-up iClicker questions, including for technical problems with your clicker (please monitor the life of your batteries).
☆ To obtain credit for iClicker, you must register your clicker in Moodle. See page 7.
☆ Bringing a friend's clicker to class to enter responses for your friend is cheating and will be treated as such (see Academic Dishonesty section).
☆ Three free passes (a pass counts for a class period). These free passes are to be used for absolutely any reason you have to miss class, forget clicker, etc.

Microeconomics in the News
☆ Three times during the semester you will post an analysis of a news article in the context of concepts covered in class. You will also comment on someone else’s post. More details to follow.

Exams
☆ Midterm exams will be held from 7 to 9 pm on Tuesday evenings. The day of an exam, the lecture will be cancelled, but I will hold an optional question session during class time.
☆ All exams will consist of multiple-choice and short answer questions and problems.
☆ Midterm exams will cover the material covered since the previous exam. The final exam is a comprehensive exam.
☆ There will be no make-up tests given, except under extenuating circumstances as defined in section VIII of the Academic Regulations available at http://www.umass.edu/registrar/sites/default/files/academicregs.pdf Be prepared to document the reason of your absence and advise me ahead of time if possible by phone (413-545-5713, please leave a message with your phone number if I’m not there) and e-mail.
Academic Conflict with Exams
I will provide a make-up exam only to eligible students according to the university rules. These rules apply to students for whom midterm exams conflict with another evening exam or class. Please have the Registrar’s Office verify the conflict and bring me this verification at least one week before the exam.

Exam Protocol
☆ Please wait outside the room we open the doors.
☆ Sit yourselves where there is an exam, usually a desk away from the next neighbor.
☆ Bring pencils, eraser, straight edge, basic calculator, and your student ID to all exams.
☆ Don’t bring backpacks or anything that may clutter the rows on exam days. It makes it difficult for people who want to leave early to do so. Leave your backpacks at home or in the front of the classroom.
☆ Go to the bathroom before the exam. If you need to go to the bathroom during the exam, please bring your exam and smartphone to the proctor.
☆ No talking is allowed during exams.
☆ Anyone not in compliance with the exam protocol will be asked to leave.

Students with Special Needs:
Students who need accommodation for a learning, physical, or psychological disability should inform me as soon as possible and provide documentation from Disability Services located at 231 Whitmore.

Academic Honesty:
Academic dishonesty will not be tolerated. Any student charged with any form of academic dishonesty in any class assignment/exam will receive a grade of F for the course. The official University Policy will be followed to the fullest extent in such cases where academic dishonesty is suspected. Please read what constitutes academic dishonesty in section I. of the Academic Regulations available at http://www.umass.edu/registrar/media/academicregs.pdf

Civility inside the Classroom
Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have the opportunity to gain from time spent in class, certain basic standards of classroom respect must be adhered to. Respect does not eliminate appropriate humor, enjoyment, or other indications of a comfortable and pleasant classroom community. However, there is an expectation that all participants in this course will:

- Display respect for all members of the classroom community: your instructor, TAs and fellow students.
- Attend and participate in lectures, group discussions, and other classroom activities.
- Avoid unnecessary disruptions during class such as private conversations, reading newspapers, arriving late or leaving early, eating, drinking, and sleeping during class.
- Laptops or tablets should only be used to take notes, and cell phones to do calculations.
- Please wait for the class to be formally dismissed before you start to pack up your things or get up to leave.
- Avoid negative language that is considered racist, sexist, or homophobic or in other ways may exclude members of our campus and classroom community.

Civility outside the Classroom
Please be respectful and use appropriate language when communicating with me over e-mail. E-mail is appropriate when used to schedule an appointment, notify me of an absence or tardiness, or for short questions to clarify class assignments or specific items from a lecture. E-mail is not appropriate to deliver the following:
• Messages with inappropriate language.
• Junk mail, internet jokes, chain letters, etc.
• Requests for my lecture notes or asking if you “missed anything” when you miss a class. It is your responsibility to attend class and obtain notes. If you miss a class, obtain notes and other important information from a fellow student.
• Anything you would not be willing to communicate to me in person.

E-mail is frequently not a good substitute for meeting with me. Office visits are the best way to ask questions about course material, and to discuss classroom issues or any other special concerns you may have about your class performance.

Important Dates – RESEC 102
January 26, 2016   i>Clickers start counting toward your grade.
February 1, 2016   Last day to Add or Drop with no record.
February 16, 2016  Monday class schedule, no class.
February 23, 2016  Midterm Exam 1, 7:00 to 9:00 pm. Location TBA.
March 3, 2016      Last day to drop with “W.”
April 5, 2016      Midterm Exam 2, 7:00 to 9:00 pm. Location TBA.
April 14, 2016     Microeconomics Rock! project due.
April 29, 2016     Final Exam, 10:30 am to 12:30 pm, Morrill Science Center (1) Rm N375.

Tentative Course Outline
I. Introduction
   A) What is Economics?
   B) What Do Economists Do?
      1. Microeconomics vs. Macroeconomics
      2. The Seven Principles of Microeconomics
      3. Positive vs. Normative Economics
   C) Economics Models
   D) A Simple Model: Production Possibilities Frontier (PPF)
   E) Markets are Magic!
II. Supply, Demand, and Economic Markets: An overview
    A) Demand
    B) Demand Determinants and Shifts in Demand
    C) Supply
    D) Supply Determinants and Shifts in Supply
    E) Market Equilibrium
    F) Changes in Market Equilibrium
III. Consumer Behavior: The Demand for Goods and Services
    A) Elasticities
       1. Introduction
       2. Price Elasticity of Demand
       3. Price Elasticity and Total Revenue
       4. Other Demand Elasticities
          a) Cross-Price Elasticity of Demand
          b) Income elasticity
       5. Supply Elasticity
       6. Elasticities and Policy Applications
    B) Marginal Utility and Consumer Choice
       1. Total vs. Marginal Utility
       2. The Law of Demand and Marginal Utility
IV. Producer Behavior and Costs of Production
    A) Overview
    B) Cost of Production
       1. Total Fixed Cost
2. Total Variable Cost
3. Total Cost
4. Average Costs
5. Marginal Cost
6. Economies and Diseconomies of Scale

C) Profit Maximization for a Competitive Firm
   1. Total, Average, and Marginal Revenue
   2. MR = MC Rule
   3. MR = MC Graphically
   4. Loss Minimization
   5. Short Run Firm Supply Curve
   6. Long-run perfectly competitive equilibrium

V. Market for Products
   A) Introduction and Review
      1. What is a market?
      2. Market structures
   B) Monopoly
      1. Why monopoly arises
      2. Perfect competition vs. monopoly
      3. Relationship between P and MR
      4. Price and quantity determination
   C) Welfare Measures
      1. Consumer Surplus
      2. Producer Surplus
      3. Market Efficiency
      4. Welfare: perfect competition vs. monopoly
   D) Public Policy toward Monopoly
   E) Oligopoly
      1. Mutual interdependence and strategic behavior: an example
      2. Tension between cooperation and self-interest
      3. Game Theory

VI. Externalities and Market Failure
   A) Externalities
   B) Why do we care?
   C) How to correct for market failure?
      1. Creating property rights
      2. Pollution tax
      3. Enforce standards
   D) Positive externalities and public goods
      1. Positive externality and market failure
      2. Positive externality and public goods

VII. Conclusions
**FREQUENTLY ASKED QUESTIONS**

I. **What is Moodle?**
Moodle is a widely-used open source learning management system used to deliver course content and host online learning activities. For details on using Moodle, see:
http://www.oit.umass.edu/support/moodle/help-students

II. **How Do I Access Moodle?**
1. Go to the OIT website at: http://www.oit.umass.edu/
2. Click on “Moodle” on the top bar.
3. Enter your NetID (OIT User Name and Password).
   a. Note that to enter Moodle you must **have an active OIT account** and know your user name and password.
   b. If you **do not have an active OIT account**, to access the course materials on Moodle you will need to activate your account. (For information on how to activate your account see http://www.oit.umass.edu/accounts/.)
   c. The first time you use Moodle, check your browser. Select “Browser Recommendations for Moodle.”

III. **What is on Moodle?**
1. General Course Materials: syllabus and announcements.
2. Lecture notes and lecture capture videos.
3. Forums for Microeconomics in the News.
4. Weekly readings, homeworks, etc.
5. Your grades
6. Web links of interest.

IV. **How Do I Register my i>Clicker?**
1. Log in to Moodle and navigate to the RESEC 102 course page.
2. Go to the bottom of the right column, under “i>clicker,” click on “Remote Registration”
3. Enter your Remote ID (see the picture showing how to locate it).
4. Click “Register”

V. **How Do I Access Aplia?**

Go directly to the Aplia website: http://www.aplia.com or select the Aplia link in Moodle.

VI. **How Do I Register for Aplia?**

See the Aplia “Student Registration and Payment Instructions” information sheet on the next page.
How to access your Aplia course

RESCON 102, Mankiw 7e, Spring 2016

Instructor: Nathalie Lavoie
Start Date: 01/19/2016

What is Aplia?
In just 10 years, more than one billion answers have been submitted through Aplia, the premier online assignment solution. Millions of students use Aplia to better prepare for class and for their exams. Join them today!

Registration
2. Follow the prompts to register for your Aplia course.

Payment
After registering for your course, you will need to pay for access using one of the options below:

Online: You can pay online using a credit or debit card, or PayPal.

Bookstore: You may be able to purchase access to Aplia at your bookstore. Check with the bookstore to find out what they offer for your course.

Free Trial: You can access Aplia until 11:59 PM on 02/08/2016 during your free trial. After the free trial ends you will be required to pay for access.

Please note: At the end of the free trial period, your course access will be suspended until your payment has been made. All your scores and course activity will be saved and will be available to you after you pay for access.

If you already registered an access code or bought Aplia online, the course key to register for this course is: KZNT-J5S8-GLVH

System Check
To check whether your computer meets the requirements for using Aplia, go to http://www.aplia.com/support/config.jsp

Your Custom Technical Support Link: :
The goal of this activity is to stimulate your thinking about microeconomics concepts and principles. Your assignment through the semester is to keep your ears open to songs that explore some of the ideas and concepts of microeconomic theory covered in this course. You must find one song illustrating at least three concepts of microeconomics. There is no restriction on the music styles; pop, rock, country, jazz, rap, whatever makes you tap your feet!

Your submission must contain the following elements and must be formatted according to the following guidelines.

- **Your name and student ID**
- **Song:** Title of the song and the name of the band/singer.
- **Song Lyrics**
- **Relevant Microeconomic Concepts.** Provide an exhaustive list of the microeconomic concepts, ideas, theories that are either directly or indirectly referred to in the song. Each concept should be accompanied by the relevant lyrics and a short explanation for why they relate to the microeconomics concept listed. To get full credit you must demonstrate that you have understood the concepts in your explanation and that the song does illustrate the concepts you list. The following format is desired:

<table>
<thead>
<tr>
<th>Relevant Microeconomics Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Microeconomic Concept 1</td>
</tr>
<tr>
<td>“Relevant lyrics illustrating the microeconomic concept 1”</td>
</tr>
<tr>
<td>Explanation for why the relevant lyrics relate to microeconomic concept 1</td>
</tr>
<tr>
<td>Name of Microeconomic Concept 2</td>
</tr>
<tr>
<td>“Relevant lyrics illustrating the microeconomic concept 2”</td>
</tr>
<tr>
<td>Explanation for why the relevant lyrics relate to microeconomic concept 2</td>
</tr>
<tr>
<td>Etc.</td>
</tr>
</tbody>
</table>

You will get zero credit if:
1. I find the lyrics offensive (I’m a reasonable person, but don’t push your luck).
2. You use a song that I will have used as an example in class.
3. You use a song written to teach economics.
How to submit in Moodle:

1. In Moodle, go to the “Week of April 11th”
2. Select the “Microeconomics Rock” discussion forum
   *** Do note that this forum is set up to be private – only Nathalie and Kelly will see your post.
3. Click on “Add a New Topic.”
4. In subject field enter the title of your song.
5. Type your post in the “Message” box:
   - OPTION 1 (preferred method): Compose your submission in your word processor and then cut and paste it into the message box. This is recommended because it allows you to use features of your word processor such as the spell check and saving.
   - OPTION 2: Compose your submission in your word processor and attach it as a file to the message. Attach your file by dragging it and dropping it in the space marked accordingly.
   - OPTION 3: Compose your submission directly in the message box. This is subject to possible frustration (e.g., computer crashes before you get the message sent, without saving your work) and does not allow you to use the features of your word processor. This is not recommended.
6. Make sure the body of your submission contains the elements listed on the previous page and is formatted according to the guidelines.
7. Select “Post to forum” when you are done.
8. Double check that your post does indeed show up in the forum.