Econ 103
Introduction to
Microeconomics
Spring 2021 Syllabus & Course Schedule

Meeting Times
Lectures pre-recorded and available before and after class.
Mon/Wed Q and A: 8:00am – 8:50am
Thurs/Fri: Discussion section

FAQ: Am I required to attend my scheduled lecture time? NO!
You can view lecture at your convenience. Scheduled lecture times are for Q and A with Professor Friedman. You should come but attendance is voluntary.

Must I do other online videos? YES! On-line videos cover vital material.
Must I do the textbook readings? YES! Quizzes and problem sets draw on readings even if they are not discussed in class.

Required Texts
Microeconomics as a Social Science
(2019 5th edition) by Gerald Friedman
ISBN 9781524966416

Real World Micro
(2021, 28th edition) by Dollars & Sense
ebook: You can purchase access online. Go to perusall.com. Create an account.
Select I am a student and enter the course code FRIEDMAN-EK82B.
You can buy paper editions from Collective Copy, 71 South Pleasant, Amherst. You can order copies here

FAQ: Do I need the current editions of the textbook? YES!
New editions contain updated information pertinent to the coursework. Using older editions could hurt your grade!

Professor Friedman
Office: Zoom
Office hours: Thursday 10-12 by appointment
Email: gfriedma@umass.edu
Students are encouraged to direct questions to Professor Friedman via email at the above address.

About This Course
Economics 103 is a general education course in Social World. It will help you to arrive at a better understanding of yourself and other people and involves writing and analytical and critical thinking as well as the development of technical skills. Econ 103 introduces the fundamental questions in social theory: the nature of society and the relationship between individuals and the community in the construction of an economic system. Theories are taught through both abstract models and examples that illustrate their use in practice and the implications of different approaches. We look at the meaning and value of economic growth, the relationship between individual wishes and market outcomes, the importance of market externalities and alternative ways to regulate them, the relationship between economic inequality and economic growth, and the meaning and role of social insurance. An underlying theme of Econ 103 is how our choice of economic theory informs our political choices: our preferred economic policy and the forms of our collective action.

Students are invited to raise questions in semi-weekly Q and A sessions, and at weekly discussion sections with graduate-student Teaching Assistants. Students also have opportunities to develop their communication skills through short essays included as part of the problem sets addressing questions in economic theory, such as methodological individualism vs. social science, and the relationship between levels of inequality and economic welfare.
Course Requirements

Problem Sets – Worth 65%
There are four problem sets worth 65% of your final grade. You are encouraged to work together on the problem sets with another student in your TA-section and hand in a single copy of the numerical problems (for which both contributing students will get the same grade); you should hand in your own essay questions.

Quizzes – Worth 20%
23 quizzes will be given for each class beginning with Class 4 (September 15). Quizzes are on the Moonami page and will be opened after class and remain open until the next class when I will flip a coin to determine if the quiz will count. (I will ask for student volunteer to call the coin flip; sign up here.) Following probability, 11 quizzes will be graded and your lowest quiz grade will be dropped. If 12 quizzes are graded, we will drop two.

Moonami Discussions – Worth 15%
Beginning with the first class, there are 15 discussion topics. (In some cases, topics cover more than one class.) For each topic, by the closing date given in the description, give a response to the question and respond to at least one other student, and you will get 1 point.

Academic Integrity
If you find the work is overwhelming, please get help from your TA or from Professor Friedman

- For the problem sets, again we encourage you to work with another student from your section, but keep in mind collaboration and cheating are different. Also, it should go without saying that you should not copy last year’s problem sets…. The problems change so copying last year’s will be obvious. (People do it: don’t be that dumb . . .)

If you are caught cheating you will be subject to draconian University disciplinary action.

Some things to do when things get hard
- Be sure to read the relevant materials in the textbooks and review the lectures and videos
- The Moonami site has a section of special videos entitled “Various Helps.” Check them out!
  And let Professor Friedman know if you find them useful or useless.
- Your TA holds office hours. He or she will let you know; and they will be posted.
- Send an email and meet with Professor Friedman.
<table>
<thead>
<tr>
<th>Class No.</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
<th>Moonami Videos and PowerPoint Slides</th>
<th>Quiz and Discussion</th>
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<tbody>
<tr>
<td>1</td>
<td>Sept 1</td>
<td>Introduction: Orientation. Is it all about supply and demand?</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 1&lt;br&gt;<em>Real World Micro</em>, chs. 1.1-1.2</td>
<td>Welcome to Economics 103</td>
<td>D1</td>
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<td>2</td>
<td>Sept 6</td>
<td>Mon</td>
<td>NO CLASS ON LABOR DAY</td>
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<td></td>
<td>Sept 8</td>
<td>Wed</td>
<td>If we are so rich, why aren’t we happy? Problems with markets.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 2&lt;br&gt;<em>Real World Micro</em>, chs. 3.1, 6.2&lt;br&gt;<em>Money Buys More Happiness</em>&lt;br&gt;<em>NY Times: The Kids Are Not Alright</em>&lt;br&gt;<em>Work-life balance: What really makes us happier</em></td>
<td>D2</td>
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<td>3</td>
<td>Sept 13</td>
<td>Mon</td>
<td>Marginal utility and downward sloping demand curves.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 3&lt;br&gt;<em>Real-World Micro</em>, chapters 3.4-3.6</td>
<td>Marginal Utility</td>
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<td>4</td>
<td>Sept 15</td>
<td>Wed</td>
<td>The elasticity of demand, and consumer surplus</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 3</td>
<td>Elasticity of demand&lt;br&gt;Elasticity with graph&lt;br&gt;Quiz 1&lt;br&gt;D3</td>
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<td>5</td>
<td>Sept 20</td>
<td>Mon</td>
<td>Do aggregate demand curves really slope down? Shifting demand curves.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 3</td>
<td>Individual and aggregate demand&lt;br&gt;Quiz 2</td>
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<tr>
<td>6</td>
<td>Sept 22</td>
<td>Wed</td>
<td>Supply: Firms and production. Marginal productivity. Marginal cost.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 4&lt;br&gt;<em>Real World Micro</em>, chs. 4.1-4.3&lt;br&gt;<em>“The Key to the Productivity Puzzle”</em></td>
<td>Quiz 3&lt;br&gt;D4</td>
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<td>7</td>
<td>Sept 27</td>
<td>Mon</td>
<td>Supply curves under perfect competition.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 4</td>
<td><em>Econ 103: Comparative Advantage&lt;br&gt;Econ 103: Marginal Revenue</em>&lt;br&gt;Quiz 4</td>
</tr>
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<td>8</td>
<td>Sept 29</td>
<td>Wed</td>
<td>Productivity change and long run supply curves.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 4</td>
<td>Productivity in the short and long run&lt;br&gt;Quiz 5&lt;br&gt;D5</td>
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<td>9</td>
<td>Oct 4</td>
<td>Mon</td>
<td>Marginal Revenue and Monopoly: Rents, profits and producer surplus under monopoly and perfect competition.</td>
<td>Friedman, <em>Microeconomics</em>, Chapter 4&lt;br&gt;<em>Real World Micro</em>, Chapter 5&lt;br&gt;<em>Google is a monopoly&lt;br&gt;Break up the beer monopoly</em></td>
<td>Quiz 6&lt;br&gt;PS 1!</td>
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<td>10</td>
<td>Oct 6</td>
<td>Wed</td>
<td>Shifting supply and demand curves: Using market outcomes to identify shifts in supply and demand.</td>
<td>Friedman, <em>Microeconomics</em>&lt;br&gt;Chapter 5&lt;br&gt;<em>Real-World Micro</em>, chs. 2.1, 2.4-2.7&lt;br&gt;<em>How clothing giants Gap and Benetton succeeded and failed</em></td>
<td>Quiz 7&lt;br&gt;D6</td>
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<td>Date</td>
<td>Day</td>
<td>Topic</td>
<td>Reading/Notes</td>
<td>Additional Notes</td>
<td>Quiz</td>
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<td>Oct 11</td>
<td>Mon</td>
<td><strong>NO CLASS ON COLUMBUS DAY</strong></td>
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*Real-World Micro*, chs. 2.1-2.3, 4.4  
**Effect of raising the minimum wage:**  
Debate on raising minimum wage  
Minimum wage and small businesses | **Price controls, regulation, and elasticity** | Quiz 8 |
| Oct 18 | Mon | Supply: Adam Smith and supply curves  
Economics is a social science where institutions matter. | Friedman, *Microeconomics*, Chapters 1, 6  
*Real-World Micro*, chs. 1.3-1.7 | **The division of labor makes economics a social theory** | Quiz 9 D7 |
| Oct 20 | Wed | Transactions costs, bargaining, power, and production possibility fronts | Friedman, *Microeconomics*, Chapter 6  
*Real-World Micro*, chs. 7.2-7.5 | **Econ 103: Production Possibility Frontier** | Quiz 10 |
*Real-World Micro*, chapter 10 | **Econ 103: Capitalism**  
**Econ 103: Comparative Advantage** | Quiz 11 D8 |
| Oct 27 | Wed | Caring labor | Friedman, *Microeconomics*, Chapter 7  
*Real-World Micro*, chs. 4.7, 7.6 | **Econ 103: care labor** | Quiz 12 D9 |
| Nov 1  | Mon | Public goods, prisoner’s dilemmas, and the problem of externalities. | Friedman, *Microeconomics*, Chapter 6  
*Real-World Micro*, chapter 6  
Diane Coyle, “Apocolypse When?” | **Econ 103: Prisoners Dilemma**  
**Econ 103: Externalities**  
**Gawker: Must Watch: Golden Balls Contestant Wins With Most Ballsy Move Ever** | Quiz 13 D10 |
| Nov 3  | Wed | Coase’s Theorem: What is it, and does it work? | Friedman, *Microeconomics*, Chapter 6 | | Quiz 14 |
*Real World Micro*, chapter 8  
**The racial wealth gap**  
Six facts about inequality in the US:  
Washington Post, “Sharing the Wealth”  
| Nov 10 | Wed | Is inequality good? Okun and leaky buckets, and why he is wrong. | Friedman, *Microeconomics*, chapter 8  
*Real World Micro*, chapter 9  
Katharina Pistor, “if wealth is justified so is a wealth tax” | | Quiz 16 D12 |
| Nov 15 | Mon | Marginal productivity of labor and the neoclassical demand for labor. | Friedman, *Microeconomics*, chapter 9  
*Real World Micro*, chapter 4.5 | **The 1% The 99%**  
**The Democratic Economy** | Quiz 17 D13 |
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<tr>
<th>Date</th>
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<th>Reading/Notes</th>
<th>Quiz</th>
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<tr>
<td>Nov 17</td>
<td>Wed</td>
<td>Marginal revenue product of labor; Wage = MRP.</td>
<td>Friedman, <em>Microeconomics</em>, chapter 9&lt;br&gt;<em>Real World Micro</em>, chapters 4.6, 7.4</td>
<td>Quiz 18</td>
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<tr>
<td>Nov 22</td>
<td>Mon</td>
<td>Labor supply and demand, home production, compensating differentials, and immigration.</td>
<td><strong>Wage = MRP.</strong>&lt;br&gt;Friedman, <em>Microeconomics</em>, Chapters 9 and 10</td>
<td>Quiz 19 D14</td>
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**THANKSGIVING RECESS BEGINS AFTER CLASSES ON NOV 23**

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<tr>
<th>Date</th>
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<th>Reading/Notes</th>
<th>Quiz</th>
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<tr>
<td>Dec 1</td>
<td>Wed</td>
<td>Efficient financial markets; risk, uncertainty, interest rates</td>
<td>Friedman, <em>Microeconomics</em>, chapter 11&lt;br&gt;<strong>Enron: the smartest guys in the room</strong>&lt;br&gt;<strong>Financial Markets I: Risk and Uncertainty</strong></td>
<td>Quiz 21 D15</td>
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<td>Dec 6</td>
<td>Mon</td>
<td>Asymmetric information and financial market failure</td>
<td><strong>Insurance</strong>&lt;br&gt;<strong>Asymmetric Information</strong>&lt;br&gt;<strong>Efficient markets</strong>&lt;br&gt;<strong>Deregulation</strong></td>
<td>Quiz 22</td>
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<tr>
<td>Dec 8</td>
<td>Wed</td>
<td>Government and insurance</td>
<td><strong>Social versus private insurance</strong>&lt;br&gt;<strong>A democratic economy</strong>&lt;br&gt;<strong>How Inequality Hurts</strong></td>
<td>Quiz 23</td>
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Dec 13 PS 4 DUE | Mon | | | |