



Microeconomics and Public Policy I

PPHA32300

Fall 2022

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Please use Ed Discussion for all questions about content of the course. Use the course email harrismppmicro@gmail.com for any administrative questions. Both will be monitored by the head TA. Please do not email the instructors or TAs directly with course-related questions. If you have urgent emails to send directly to the instructors, please include “PPHA32300” in the subject title.

Instructor office hours will be conducted on a sign-up basis for 10-minute slots. Details are at the end of this syllabus.

All courses meet on both Monday and Wednesday at the given time below, in the given classroom. All times listed below are in Chicago time (with change from daylight savings on November 7).

Section 1 (Coleman): 9:00am-10:20am, Keller 1022
Section 2 (Brot-Goldberg): 9:00am-10:20am, Keller 1002
Section 3 (Coleman): 10:30am-11:50am, Keller 1022
Section 4 (Brot-Goldberg): 10:30am-11:50am, Keller 1002
Section 5 (Kumar): 1:30pm-2:50pm, Keller 1022
Section 6 (Brot-Goldberg): 1:30pm-2:50pm, Keller 1002
Section 7 (Kumar): 3:00pm-4:20pm, Keller 1022

Course Goals

This course is the first of a two-quarter sequence in microeconomic theory. The course covers consumer choice, market equilibrium, and introduction to the theory of the firm. It provides a careful and rigorous presentation of the foundations of microeconomics. An important goal will be to show how these tools apply to various policy questions and applications will be discussed in tandem with the course material but the primary focus is on the tools and techniques of microeconomics and price theory. The course does not require prior training in economics, although prior courses will be helpful. Those with strong economics training, such as a previous economics major, should consider PPHA 32310.

Prerequisites

You will need no more mathematics than what has been covered in math camp.

Key Course Details

- The syllabus, slides, and problem sets will be the same across all sections.
- We will generally post slides on Canvas before lecture.
- *Textbook*: Goolsbee, Levitt, and Syverson, *Microeconomics 3rd ed* – available electronically (see below)
- *Lectures*: Lecture formats are currently in-person, with options for students falling ill to access live online and recorded (Zoom) instruction. Zoom links are different for each section, but the link for each

section remains the same throughout the quarter (except for the first week Friday lecture). **We reserve the right to change the teaching modality to online-only mid-quarter as the situation with COVID-19 evolves.** We will give students early warning if this becomes necessary.

- *TA Sessions:* See below. All TA sessions will be joint across sections.
- *Requirements and Grading:* Grades will be based on problem sets (20%), a midterm exam (35%), and a final exam (45%). Grades will be based on a curve, not specific numerical cut-offs.
- *Problem Sets:* We will have roughly one problem set per week. You will work in groups.
- *Midterm exam:* It will be taken in person in each section classroom.

Course Canvas Page

To access the course web page, go to <https://courses.uchicago.edu> and log in with your CNetID.

COVID-19 Policy

Masks: The Keller Center currently **does not require mask-wearing**. However, you are welcome to wear a mask during lectures at your leisure. We will continue to follow campus guidance regarding COVID-19 as the quarter progresses. Please see [this page](#) for the university's current guidance.

If you think you have COVID-19 symptoms (or any other contagious illness): Please err on the side of caution and do not come to class. Instead, you can attend remotely if you are well enough and watch the recorded lectures if you are not. This class has many opportunities to make up for being unable to attend an in-person class—please use these opportunities rather than put your fellow students and instructors at risk. You do not need to notify the instructors if you are missing a class because of illness.

If you fall seriously ill or experience other disruptive life events: We encourage you to reach out to the Harris academic advising team. They will coordinate with the instructors for all of your courses to develop proper accommodations. You do not need to personally reach out to or explain your situation to the instructors of this class to receive accommodations if you have set up an arrangement with the advising team.

Zoom: The Zoom links are listed in Canvas – the link is different by section, but the link for each section remains the same throughout the quarter. Lectures will also be recorded and available on Canvas under “Zoom-University of Chicago Main Account” or under “Panopto Video”.

Drinking and eating: Drinking liquids is now allowed in the classroom, but eating is not.

Lectures

For this sort of class it is terribly important to get feedback and questions during class time – **please ask questions** – the professors will stop periodically to answer. For students attending in person, the usual protocol is to raise your hand and wait for the professor to call on you. For students attending via Zoom, post your questions on the public chat. If we do not have time to answer in class you can direct questions to us or TAs after class via EdDiscussion. Please do not have private conversations in the chat.

Good behavior during lecture: We encourage questions and open debate in lectures and discussion sections. Good behavior requires engaging with students, faculty, and staff in a lively, principled, and respectful manner. Questions and debate should focus on relevant topics of economics and policy - **personal or ad hominem arguments are not appropriate**. We reserve the right to remove participants who do not adhere to standards of good behavior.

Problem Sets

We will have one problem set per week, other than the week of the midterm and the final week of the course. You will work in groups.

- *Study groups:* For problem sets we require you to work in study-groups of 2-4 students. During week one we will arrange sign-up for forming groups, and we will assign groups. We will change groups after the midterm.
- Please submit one problem set for the group. Submission will be online using Gradescope (there is a link through Canvas) and should be done as a .pdf file. To ensure you get credit, include the name and student ID numbers of all members of your group on the first page. **Late problem sets will not be accepted.**
- The most important issue about doing problem sets in a group: **Work the problems yourself before you meet with your group.** Having someone explain the problem to you is no substitute for working it yourself – you need to try and solve it yourself.
- We know that your assigned group may not be your ideal group. We encourage you to work with and learn from each other nonetheless. If there are serious problems within your group, for example students not contributing or communicating at all, please email harrismppmicro@gmail.com.
- Questions and concerns about grading should also be first directed to harrismppmicro@gmail.com.
- The point of problem sets is to help you learn the material, rather than purely to evaluate you, which is why they receive significantly lower weight in your final grade. Working hard on the problem set is good practice for the midterm and final, but problem set scores are rarely pivotal for students' grades.
- **Educational questions:** At the instructors' discretion, the final problem on a problem set may be designated as an "educational question." These are longer, more difficult problems meant to introduce students to specific applications of ideas introduced in lecture. For such problems, we will grade only on completing the problem, with effort, rather than on correctness.

Grading

As mentioned above, final grades in this course have three components: Problem sets (20%), the midterm exam (35%), and the final exam (45%). The final will be cumulative. Attendance in lecture and TA sessions is not a component of your grade, although we strongly recommend it so students can stay on track in the course. **This grading rule is final, so do not request an alternative.**

Like all Harris Core courses, this course is graded on a curve based on students' relative ranking across all sections. This curve is mandated by Harris and instructors are compelled to adhere to it; therefore, **requests for final grade "bumps" cannot be satisfied no matter what the circumstance is.**

A	Top 1/8
A-	Next 1/4
B+	Next 1/4
B	Next 1/4
B- and below	Bottom 1/8

Exams

The midterm will cover material from the lectures preceding that date. The final will cover material from the entire quarter. Dates and time for the exams will be announced in the beginning of the quarter. You must obtain permission from the Dean of Students to take an exam at any time other than the scheduled hours.

Instructor Office Hours

The instructors will conduct office hours. Instructor office hours are meant for answering high-level questions about lecture materials and topics, and the course. In general instructor office hours are *not* meant for long reviews of problem set questions—questions about problem sets are better directed towards Piazza or TAs. Students may feel free to attend any instructor’s office hours, regardless of what section they are enrolled in. Students can reserve 10-minute slots for themselves or for their groups. Students who have not reserved a slot may come to office hours anyway, but priority will always be given to students who have reserved time.

Prof. Brot-Goldberg: Monday 3:30pm-4:30pm, Thursday 10:00am-11:00am, Keller 3011

Sign up for a 10-minute slot at <https://calendly.com/zarek/office-hours>

Prof. Coleman: Tuesday 10:30am-11:30am; Thursday 4pm-5pm, Keller 3037

Sign up for a 10-minute slot at <https://calendly.com/tscoleman/officehours>

Prof. Kumar: Monday 10:30am-11:30am; Wednesday 10:30am-11:30am, Keller 2081

Sign up for a 10-minute slot at <https://calendly.com/navinkumar2/office-hours>

TA Sessions and Office Hours

Teaching assistants will hold scheduled problem sessions to cover worked problems and review material from the previous week’s lectures. Attendance at problem sessions is recommended. Students will sign up for specific TA sessions when they register for the course. All TA sessions will be held in person other than D11, which will be held remotely via Zoom.

In addition to these classroom style sessions, TAs will also offer office hours, where you can receive more individualized attention on a first-come, first-served basis. These office hours, should you partake of them, will supplement the main TA sessions, and will be served by the TAs in rotation. You should ask questions about class material only when you remain confused after TA sessions. In addition, you should have attempted the homework and reviewed the relevant class and problem session materials thoroughly before bringing homework questions to TA office hours.

Note: Additional office hours may be held in advance of the midterm and final. All TA sessions are held at Chicago time.

TA Session Schedule

Section D01 (Charlie Lowe):	Thursday, 5:00pm-6:20pm, Keller 0007
Section D03 (Graham Harwood):	Friday, 9:00am-10:20am, Keller 0007
Section D04 (Miao (Irene) Qi):	Friday, 9:00am-10:20am, Keller 0023
Section D05 (Khristel Zavaleta):	Friday, 9:00am-10:20am, Keller 2112
Section D06 (Danielle Nemschoff):	Friday, 10:30am-11:50am, Keller 0007
Section D07 (Brian Curran):	Friday, 10:30am-11:50am, Keller 0023
Section D08 (Qi Lei):	Friday, 10:30am-11:50am, Keller 2112
Section D09 (Ruiquan Chang):	Friday, 1:30pm-2:50pm, Keller 0007
Section D10 (Xinyue Li):	Friday, 1:30pm-2:50pm, Keller 2112
Section D11 (Victoria Sims):	Friday, 3:00pm-4:20pm, Zoom only

TA Office Hours Schedule

TBD. Details will be published on Canvas.

Textbook

We are using *Microeconomics 3rd Ed.* by Goolsbee, Levitt, Syverson. Earlier editions of the textbooks are fine if you already own one or would prefer to buy one used.

Physical Version: If you are in Chicago, you can buy one from the bookstore.

Electronic: Most of you will probably want to rent electronic or digital versions.

- Link: <https://store.macmillanlearning.com/us/product/Microeconomics/p/1319105564>
- E-book is \$83.99 to rent for 1 term (6 months)
- Achieve (e-book + extra online practice problems) is \$100 for 1 term

Supplemental study: Here are some additional textbooks which we recommend for supplemental study.

- CoreEcon Team, *The Economy* – free (open-source) at <https://core-econ.org/the-economy/?lang=en>. This is an off-beat approach to the material covered in the Harris Micro sequence. They cover material in a different order than the Harris sequence, with policy applications.
- Deirdre McCloskey, *The Applied Theory of Price*. 2nd ed, 1985. Available for (free) download at <http://www.deirdremccloskey.com/docs/price.pdf>. This is an introduction to economics in the classic Chicago style. It is a fun read.
- Hal Varian, *Intermediate Microeconomics* (with or without calculus – the two editions are essentially the same). This is a more technical and mathematical treatment of microeconomics, appropriate for technically-oriented students.
- Steven Landsburg, *Price Theory and Applications, 9th ed.* This is a nice intuitive approach, between Goolsbee, Levitt, and Syverson’s approach and McCloskey’s.

Tentative Course Schedule

<i>Week/Lect</i>	<i>Day</i>	<i>Date</i>	<i>Topic</i>	<i>Textbook</i>
1 / 1	W	9/28	Introduction, Supply & Demand I: Supply, demand, and equilibrium	Ch 2
1 / 2	F (note change)	9/30	Supply & Demand II: Social welfare, gains from trade, consumer surplus, welfare theorems	Ch 3, 15.2, 15.6 (loosely)
2 / 3	M	10/3	Supply & Demand III: Shifts in supply/demand	Ch 2
2 / 4	W	10/5	Supply & Demand IV: Elasticity, taxes + subsidies	Ch 3
3 / 5	M	10/10	Supply & Demand V: Price/quantity controls	Ch 3
3 / 6	W	10/12	Preferences and Utility I: Consumer preferences and utility functions	Ch 4
4 / 7	M	10/17	Preferences and Utility II: Budget sets, indifference curves, combining budget sets & utility functions	Ch 4
4 / 8	W	10/19	Demand I: Responses to income and price changes	Ch 5
5 / 9	M	10/24	Demand II: Cross-price; market demand curves; income and substitution effects	Ch 5
	W	10/26	Midterm exam based on the above material	
6 / 10	M	10/31	Supply I: Production function, isoquants; short-run & long-run analysis; cost-minimization	Ch 6
6 / 11	W	11/2	Supply II: Returns to scale; technological change; costs & cost curves.	Ch 6, 7
7 / 12	M	11/7	Supply III: Different types of costs (fixed & variable, long & short), marginal cost, firm supply, profit maximization	Ch 6, 7
7 / 13	W	11/9	Markets & Prices I: Competitive markets; profit maximization; short & long run	Ch 8
8 / 14	M	11/14	Markets & Prices II: Entry & exit; industry supply & equilibrium (bringing together consumers & producers).	Ch 8
8 / 15	W	11/16	General Equilibrium: Two-market models, complements and substitutes, input-output linkages	Ch 15.1
	M	11/20	Thanksgiving break	
	W	11/26	Thanksgiving break	
9 / 16	M	11/28	Externalities: Market inefficiency, Pigouvian taxation and quotas, Coase theorem, repugnance	Ch 17
9 / 17	W	11/30	Behavioral Economics: Internalities, sugary drink tax example, endowment effect	Ch 18 (loosely)
	T	12/6	Final Exam	

Diversity and Inclusion

The Harris School welcomes, values, and respects students, faculty, and staff from a wide range of backgrounds and experiences, and we believe that rigorous inquiry and effective public policy problem-solving requires the expression and understanding of diverse viewpoints, experiences, and traditions. The University and the Harris School have developed distinct but overlapping principles and guidelines to ensure that we remain a place where difficult issues are discussed with kindness and respect for all.

The University's policies are available below. Specifically, the University identifies the freedom of expression as being "vital to our shared goal of the pursuit of knowledge, as is the right of all members of the community to explore new ideas and learn from one another. To preserve an environment of spirited and open debate, we should all have the opportunity to contribute to intellectual exchanges and participate fully in the life of the University."

The Harris School's commitments to lively, principled, and respectful engagement are available below: "Consistent with the University of Chicago's commitment to open discourse and free expression, Harris encourages members of the leadership, faculty, student body, and administrative staff to respect and engage with others of differing backgrounds or perspectives, even when the ideas or insights shared may be viewed as unpopular or controversial." We foster thought-provoking discourse by encouraging community members not only to speak freely about all issues but also to listen carefully and respectfully to the views of others.

University policies: <https://studentmanual.uchicago.edu/university-policies/>

Harris policies: <https://harris.uchicago.edu/about/who-we-are/diversity-inclusion>

Title IX Reporting Responsibilities

Your instructor and TAs for this class are designated as "responsible employees" under the US law known as Title IX. We have a duty to report incidents of sexual harassment, including sexual violence, domestic violence, dating violence, and stalking or other misconduct to appropriate school officials.

Academic Integrity (aka Cheating)

This is a large and important class for your education here at Harris. We take academic integrity very seriously, and although we have the highest confidence in you as students, we must also remind you that academic integrity and honesty are central to our mission as a school and to each of us as instructors, TAs, and students.

All University of Chicago students are expected to uphold the highest standards of academic integrity and honesty. Among other things, this means that students shall not represent another's work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage. From the University's policy (link below): "It is contrary to justice, academic integrity, and to the spirit of intellectual inquiry to submit another's statements or ideas as one's own work. To do so is plagiarism or cheating, offenses punishable under the University's disciplinary system. Because these offenses undercut the distinctive moral and intellectual character of the University, we take them very seriously."

The Harris School's policies are available in the Harris Student Handbook Canvas site. All students suspected of academic dishonesty will be reported to the Harris Dean of Students for investigation and

adjudication. The disciplinary process can result in sanctions up to and including suspension or expulsion from the University. In addition to disciplinary sanctions, we reserve the right to impose other sanctions, up a failing grade for the course for students who have committed academic dishonesty, regardless of performance on elements of the course.

University policies: <https://studentmanual.uchicago.edu/academic-policies/academic-honesty-plagiarism/>

Note, of course, that for problem sets we are asking you to work in groups, and so *in this course* (but not necessarily other courses at Harris) collaborating on problem sets *is not* considered academic dishonesty – we are asking you to collaborate. We do require, however, that each group write up and hand in their own solution and put the group members on the solution set. This is as much for your own benefit as it is for ours – you need to work on the problems and understand the problems if you want to pass the midterm and final, and later classes here at Harris.

Disability Accommodations

The University’s policies regarding students with disabilities are available below. Students who have disability accommodations awarded by the University Student Disability Services Office should inform the Harris Dean of Students office by the end of the first week of class. The Harris Dean of Students Office will work with the student and instructor to coordinate the students’ accommodations implementation.

Harris students are not required to submit their accommodations letter to the instructor. Students from other divisions in the University must submit their accommodations letter to either the instructor or the Harris Dean of Students Office—we recommend submitting it to the Dean of Students office for fastest reply.

Students who do not yet have formal accommodations in place but who feel they need accommodations on a temporary or ongoing basis should contact the Harris Dean of Students Office or Student Disability Services.

University policies: <https://studentmanual.uchicago.edu/university-policies/disability-accommodations/>

Student Mental Health and Other Support

If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, remote counseling services are available. Student Counseling Service (SCS) urges you to attend to your mental wellbeing and to reach out to them for support during these challenging times. All SCS services are covered by the Student Life Fee, and there is no additional cost for students to access their services. See <https://wellness.uchicago.edu/mental-health/student-counseling-service-spring-quarter-faq/>. Students seeking new services/resources can call 773.702.9800 during business hours (Monday–Friday 8:30 a.m.–5 p.m.) and ask to speak with a clinician. Students needing urgent mental health care can speak with clinicians over the phone 24/7 by calling the SCS at 773.702.3625.

The Harris School itself provides both academic and non-academic support services for students. These resources are described (and links provided) via the Canvas site Harris Student Handbook, which all Harris instructors can access.

University of Chicago Policy on Lecture Recordings

By attending course sessions, students acknowledge that:

1. They will not: (i) record, share, or disseminate University of Chicago course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course.
2. They will not share links to University of Chicago course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Syllabi, handouts, slides, and other documents may be shared at the discretion of the instructor.
3. Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights.
4. Any violation of this policy will be referred to the Area Dean of Students.