

Principles of Microeconomics and Public Policy I

PPHA 32300
Fall 2023

Instructors

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Course Description

This course is the first of a two-quarter introductory sequence in microeconomic theory. Our goals include helping students understand how different institutional structures and organizations—such as competitive markets, households, firms, and governments—allocate scarce resources (labor, capital, natural resources) for production and consumption. We will also apply microeconomic principles in evaluating economic outcomes. Students will be encouraged to think critically about how people and organizations respond to incentives, whether those incentives are generated by markets (e.g. through prices), governments (e.g. through taxes and regulation), or other forces, through application of economic models. A final goal is to be able to articulate the trade-offs of public policy interventions into markets or other economic decisions. Those with strong economics training, such as a previous economics major, should consider PPHA 32310.

Prerequisites

You will be expected to know mathematics up to the level covered in math camp.

Key Course Details

The course consists of 9 modules, one for each week of the quarter. Each module will have the following components

- **Class meetings:** Each module is centered on the live class meetings that occur on Monday and Wednesday. Class meetings will involve a mix of
 - Lecture on new course material
 - Discussion of students' questions about the pre-recorded material (based on questions posted to the Ed discussion board)
 - Interactive class exercises

Our expectation is that you attend class in-person, barring short term absences. If you need to take most or all of your course remotely, you should contact the Dean of Students, Kate Shannon Biddle (kbiddle@uchicago.edu), for permission. If you need to be temporarily absent from class due to an

illness or other emergency, you should contact your instructors or TAs directly about temporary arrangements.

To maximize the quality of our live sessions, it is essential that students arrive having completed all the necessary preparation. This pre-meeting work for each module includes: (1) completing the readings for the module; (2) viewing the pre-recorded material; (3) taking self-assessment quizzes; and (4) engaging in the Q&A on the Ed discussion board. These components are described below.

- **Readings:** Each module will be tied to specific sections of the textbook or short readings uploaded to Canvas.
- **Pre-recorded Materials:** We will share some recorded content one week before each module's live section. Students are advised to take notes during the recordings, in order to stay engaged.
- **Self-assessment quizzes:** Each module (except the first) will include quizzes that you should take to test your understanding. We will provide answers to all quizzes. If you have trouble answering a question, that is a sign that you should review the relevant material (in the recordings, readings, or both) and/or post a question onto the Ed discussion board. Completion of these quizzes will count towards your final grade in the course (see more on this below).
- **Ed discussion board:** You should use the Ed discussion board to ask any questions you may have. You can ask clarification questions or how the material may apply to public policy issues. Before posting a question on the discussion board, you should first review other students' questions to see if your question has been asked (and potentially answered), and "upvote" questions you see that you would also like to ask. Instructors and TAs will review questions throughout the week. Questions asked after reviewing the pre-recorded materials and self-assessment quiz for the week may be collected to be discussed live in class.
- **TA discussion sections:** All TA sessions will be joint across sections. A typical TA session will involve the TA working through problems from the self-assessment quizzes and past problem sets, as well as new example problems.
- **Special dates:** Our final exam will take place in person on December 5th. One lecture will be held on Friday, September 29th, in addition to our normally-scheduled Monday and Wednesday lectures.
- **Course webpage (Canvas):** To access the course web page, go to <https://courses.uchicago.edu> and log in with your CNetID.
- **Lecture recordings:** To accommodate for short term absences, recordings of class meetings will be available to students via Canvas. As per the policy outlined at the end of this syllabus, students are not allowed to share these recordings with individuals not enrolled in the course.

Course Meetings

All classes meet on Mondays and Wednesdays. Students are expected to participate in the session to which they enrolled. All times listed below are in Chicago time:

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

Please note that **the class will also meet on Friday, September 29th**, using the same schedule.

TA Sessions

TAs will hold weekly sessions, which will last for 80 minutes. In sessions, TAs will explain problem sets, demonstrate how to work with sample exercises, and review material from the previous week's lectures. Attendance at TA sessions is recommended. Students will sign up for specific TA sessions when they register for the course. Links for remote sessions will be posted on Canvas. All times listed below are in

Chicago time:

- Section 1: Friday 9:00am-10:20am, Keller 0023
- Section 2: Friday 10:30am-11:50am, Keller 0007
- Section 3: Friday 10:30am-11:50am, Keller 0023
- Section 4: Friday 1:30pm-2:50pm, Keller 0021
- Section 5: Friday 1:30pm-2:50pm, Keller 0007
- Section 6: Friday 1:30pm-2:50pm, Keller 0023
- Section 7: Thursday 3:30pm-4:50pm, Keller 2112
- Section 8: Thursday 5:00pm-6:20pm, Keller 0023
- Section 9: Thursday 5:00pm-6:20pm, Keller 2112
- Section 10: Friday 10:30am-11:50am, remote

Communication

Primary communication from instructors to students will happen through posting of materials on Canvas, including postings to Announcements. Please note that you are responsible for reading all Canvas Announcements related to the course. To ensure receipt, you may wish to confirm that you have email notifications enabled for Canvas Announcements.

Please use Ed Discussion for all questions about content of the course. Use the course email micro1.2023@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 so they can be prioritized appropriately.

Assignments and Grading

Grades will be based on the self-assessment quizzes, problem sets, writing assignments, and a final exam. All assignments except the quizzes should be submitted through Gradescope as a single pdf document.

Self-assessment quizzes: You will receive credit for completing the self-assessment quizzes on Canvas. Your grade on each quiz will be based on whether you completed it, not whether your answer was correct. To achieve full credit on this part of the course, you must complete 6 of the 8 quizzes. Quizzes will be due Monday evenings at 11:59pm.

Problem sets: There will be three problem sets due throughout the quarter. They are due at the following dates and times. For problem sets we require you to work in study groups of 3-4 students that will be randomly assigned. We will change groups after problem set 2. 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. It is strongly recommended that you **work on the problems yourself before you meet with your group**. This will make group meetings more productive and improve your understanding of the material.

- Problem set 1: Sunday, October 15, 11:59pm
- Problem set 2: Wednesday, November 1, 11:59pm
- Problem set 3: Tuesday, November 29, 11:59pm

Writing assignment: The writing assignment is designed to encourage you to apply economic concepts to a current public policy issue. It is due on Tuesday, November 7 at 11:59pm. Your writing assignment will be uploaded on Gradescope. You will work on this project in the same group of 3-4 students with which you will work on problem set 3. You should turn in a single assignment for the group, and all students in the group will receive the same grade. You may not discuss this assignment at all with any student outside of your group.

Final exam: The final exam will be on December 5th in the Keller Center, with rooms TBD. The exam will cover material from the entire course. You will be able to bring one 8.5"x11" sheet of paper with notes on the front and back. However, you must not collaborate with classmates or any other individual during the exam.

Grading: At the end of the course, each of the four components (quizzes, problem sets, writing assignments, and the exam) will have numerical grades out of 100 possible points each. Each student's overall numerical grade will then be determined by a weighted sum of the assignment scores as follows:

- For students who did better on the writing assignment than the exam, the weights will be 15% on the quizzes, 15% on the problem sets, 45% on the writing assignment, and 25% on the exam.
- For students who did better on the exam than the writing assignment, the weights will be 15% on the quizzes, 15% on the problem sets, 25% on the writing assignment, and 45% on the exam.

This grading scheme therefore puts higher weights on the assignment on which each student performed more strongly.

As all Harris core courses, this course is graded on a curve based on students' relative ranking across all sections. Final letter grades will be distributed as follows:

Letter	Fraction of class
A	Top 1/8
A-	Next 1/4
B+	Next 1/4
B	Next 1/4
B- and below	Bottom 1/8

Textbook

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

Physical Version: You can buy a hard copy from the Seminary Co-op 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 \$95.99 to rent for 1 term (6 months)
- Achieve (e-book + extra online practice problems) is \$109.99 for 1 term

In addition, we may at time reference materials from the following books, which will be provided on Canvas or are freely available online:

- Betsey Stevenson and Justin Wolfers. *Principles of Microeconomics*, 2nd ed.
- CORE Econ. *Economy, Society, and Public Policy*
- Jonathan Gruber. *Public Finance and Public Policy*, 6th ed.

Course Schedule

Module	Lecture	Date	Day	Topic(s) covered	Reading(s)
1	1	Sep 27	W	Overview: logistics; principles of economic analysis; markets and gains from trade	sw Ch 1
	2	29	F (!)	Overview: markets and hidden information; Intro to Demand	c Ch 1
2	3	Oct 2	M	Demand and Supply	GLS Ch 2.1-2.3
	4	4	W	Market Equilibrium	GLS 2.4
3	5	9	M	Comparative Statics, Economic Surplus: consumer and producer surplus	GLS Ch 3.1
	6	11	W	Economic Surplus and Welfare: total surplus	GLS Ch 3.1, 15.2, 15.6
4	7	16	M	Elasticities, Taxes, Subsidies	GLS Ch 3
	8	18	W	Price Controls, Regulation	GLS Ch 3
5	9	23	M	Consumer Choice: budget sets, preferences	GLS Ch 4
	10	25	W	Consumer Choice: indifference curves, utility maximization	GLS Ch 4
6	11	30	M	Consumer Choice, Demand: demand, income and price changes	GLS Ch 5
	12	Nov 1	W	Demand and Prices: cross-price effects, income and substitution effects	GLS Ch 5
7	13	6	M	Externalities	GLS Ch 17
	14	8	W	Behavioral Economics	GLS Ch 18
8	15	13	M	Labor Market: labor supply, taxes	G Ch 21
	16	15	W	Labor Market: institutions, redistribution	c Ch 5, sw Ch 16.2-16.3
-	-	20	M	<i>Thanksgiving Break</i>	
	-	22	W	<i>Thanksgiving Break</i>	
9	17	27	M	Uncertainty and Risk	GLS Ch 14.4-14.5
	18	29	W	Review	
		Dec 5	W	Final Exam	Lectures 1-18

Notes: The textbooks listed are *Microeconomics 3rd Edition* by Goolsbee, Levitt and Syverson (GLS), *Principles of Microeconomics* by Stevenson and Wolfers (sw), *Economy, Society, and Public Policy* by CORE Econ (c), and *Public Finance and Public Policy* by Jonathan Gruber (G)

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 Ed Discussion 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, 3:15pm-4:15pm and Thursday, 10am-11am, Keller 3011. Sign up for a meeting [here](#).
- Prof. Jones: TBD. Sign up for a meeting [here](#), Zoom meeting [here](#)
- Prof. Ruan: Tuesday, 2pm-4pm, Keller 3099 or Zoom. Sign up for a meeting [here](#).

TA Office Hours

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.

General Resources Available to Students

Tutoring Hours: Harris school offers 10 hours of free tutoring for students enrolled in core classes. Harris Student Affairs will share information about how to access tutoring in Week 3 of the quarter. Any questions should be directed to HarrisStudentAffairs@uchicago.edu.

Policy on ChatGPT and Use of Other Large Language Models

For the purposes of this class, ChatGPT and other large language models are considered to be external resources. In general, you may consult external resources when preparing responses for problem sets or the writing assignment. However, the words written and handed in *must* be your own (i.e., there should be no unquoted text prepared by an external source). Similarly, using external resources on the **final exam** is completely disallowed, including the use of ChatGPT and other large language models.

Harris School and University of Chicago Policies

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 (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/>

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 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. More information on SCS services can be found at

<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.

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.