



Principles of Microeconomics and Public Policy I

PPHA 32300

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Preliminary and subject to change

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 Mondays and Wednesdays. Class meetings will involve a mix of
 - Lecture on new course material
 - Interactive class exercises

Our expectation is that you attend class in-person, barring short-term absences. 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.

- **Readings:** Readings are not required, but suggested, optional readings are provided for each module.
- **Pre-recorded materials:** We will share optional, recorded content one week before each module's

live section. These provide students with some basics, for those who would like to preview some of next week's materials.

- **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.
- **TA discussion sessions:** All TA sessions will be joint across sections. A typical TA session will involve the TA working through problems from the practice problem sets and past problem sets, as well as new example problems.
- **Special dates:** Our midterm will take place on Wednesday, October 30th. Our final exam will take place in person on **TBD**.
- **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 are held on Mondays and Wednesdays. Students are expected to attend the section for which they are enrolled. All times listed below are in Chicago time:

- Section 1 (Kumar): 9:00am-10:20am, Keller 1022
- Section 2 (Kumar): 10:30am-11:50am, Keller 1022
- Section 3 (Jones): 10:30am-11:50am, Keller 0001
- Section 4 (Jones): 1:30pm-2:50pm, Keller 0001
- Section 5 (Jones): 3:00pm-4:20pm, Keller 1022
- Section 6 (Lo): 3:00pm-4:20pm, Keller 0001
- Section 7 (Lo): 4:30pm-5:50pm, Keller 0001

TA Sessions

TAs will hold weekly sessions on Fridays, 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: 9:00am-10:20am, Keller 0007
- Section 2: 9:00am-10:20am, Keller 0021
- Section 3: 9:00am-10:20am, Keller 0023
- Section 4: 10:30am-11:50am, Keller 0007
- Section 5: 10:30am-11:50am, Keller 0021
- Section 6: 1:30pm-2:50pm, Keller 0007
- Section 7: 1:30pm-2:50pm, Keller 0021
- Section 8: 3:00pm-4:20pm, Keller 0007
- Section 9: 3:00pm-4:20pm, 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. For any administrative questions, use the course email xxx.yyy@gmail.com. Both will be monitored by the Head TAs. Please do not email the instructors or TAs directly with course-related questions. If you need to contact the instructors directly, please use the Canvas messaging system.

Assignments and Grading

Grades will be based on weekly problem sets, a group writing assignment, a midterm, and a final exam. Problem sets and the writing assignments should be submitted through Gradescope as a single pdf document.

Problem sets: There will be a weekly problem set, which will be made available on Thursdays, and due the following Thursday (unless otherwise indicated). They are to be handed in individually. Submission will be made online using Gradescope (there is a link through Canvas) and should be done as a .pdf file. To ensure anonymous and fair grading, do **not** include your name or ID in the .pdf file. **Note:** we encourage students to work in groups. If any students would like help in finding a study group, we will allow you to sign up to be matched with other students via a survey on the Canvas website.

Practice problems: In addition to your graded problem sets, we will provide additional practice problems that students can optionally complete in order to gain further familiarity with the material.

Writing assignment: The writing assignment is designed to encourage you to apply economic concepts to a current public policy issue. It is due on Friday, November 22, at 11:59pm. Your writing assignment will be uploaded on Gradescope. You will work on this project in a group of 3-4 students. We will assign you to your group. 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.

Late submissions: For problem sets and the writing assignment, late submissions will lose 25% of the maximum grade for every 6 hours after the deadline. This means that any submission beyond one day after the deadline will receive a grade of zero. This rule will automatically apply to everyone unless we hear from you in advance as described below.

If you experience difficulties (such as health issues or personal/family emergencies) that could prevent you from turning in the assignment on time, please inform us at xxx.yyy@gmail.com **before** the assignment deadline. If we grant you an accommodation, the 24-hour rule does not apply to you. If you do not inform us, or inform us after the assignment deadline, you are still subject to the 24-hour rule.

Midterm exam: The midterm exam will take place during class, on Wednesday, October 30th. The midterm will cover material through week 4 of the course. You will be able to bring one 8.5"x11" sheet of paper with *handwritten* notes on the front and back, and a calculator (no smartphones or graphing calculators allowed). However, you must not collaborate with classmates or any other individual during the midterm.

Final exam: The final exam will be on TBD in the Keller Center, with rooms TBD. Students in sections 1 to 4 will take the exam from TBD to TBD. Students in sections 5 to 7 will take the exam from TBD to TBD. The exam will cover material from the entire course, with more weight placed on material from the second-half of the course. You will be able to bring one 8.5"x11" sheet of paper with *handwritten* notes on the front and back, and a calculator (no smartphones or graphing calculators allowed). 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 (problem sets, writing assignment, midterm, and final 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 midterm than the final exam, the weights will be 20% on the problem sets, 20% on the writing assignment, 35% on the midterm, and 25% on the final exam.
- For students who did better on the final exam than on the midterm, the weights will be 20% on the problem sets, 20% on the writing assignment, 25% on the midterm, and 35% on the final exam.

This grading scheme therefore puts higher weights on the component 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 (Optional)

There is no required textbook for the course. However, some students may want a written source that explains some of the concepts from the course. Those who are interested are free to purchase a textbook used in the past: Microeconomics 4th 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. **Again, this is optional, and not required for the course.**

Physical Version: You can buy a hard copy from the University Bookstore.

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

- Link: <https://www.macmillanlearning.com/college/us/product/Microeconomics/p/1319330576>
- 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.
- George Borjas. *Labor Economics*, 7th Ed.

Course Schedule

Week	Lecture	Date	Day	Topic(s) covered	Reading(s)
1	1	Sep 30	M	Overview: logistics; principles of economic analysis	sw Ch 1; c Ch 1
	2	Oct 2	W	Markets: Gains from trade; demand; supply	GLS Ch 2.1-2.3
2	3	7	M	Equilibrium: Market equilibrium, comparative statics	GLS Ch 2.4
	4	9	W	Elasticity: Income elasticity; price elasticity; tax wedge; tax incidence	GLS Ch 2.5, 3.4
3	5	14	M	Surplus: Consumer surplus; producer surplus; total surplus; taxation and deadweight loss	GLS Ch 3.1
	6	16	W	Social welfare	GLS Ch 3.1, 15.2, 15.6
4	7	21	M	Price controls: price floors; price ceilings; rationing	GLS Ch 3.2
	8	23	W	Externalities: positive externalities; negative externalities; Pigouvian taxation	GLS Ch 17
5	9	28	M	Subsidies: Price wedge; incidence; deadweight loss	GLS Ch 3.5
	–	30	W	Midterm	Lectures 1-8
6	10	Nov 4	M	Consumer Choice: Budget constraints; utility functions; indifference curves	GLS Ch 4.1-4.3
	11	6	W	Consumer Choice: Optimization	GLS Ch 4.4
7	12	11	M	Consumer Choice: Demand	GLS Ch 5.5
	13	13	W	Consumer Choice: cross-price effects, income and substitution effects	GLS Ch 5.1-5.4
8	14	18	M	Labor Market: labor supply, institutions	B Ch 2.3-2.6, 2.10, 2.11, c Ch 5.4-5.10
	15	20	W	Labor Market: institutions, redistribution	G Ch 21
–	–	25	M	<i>Break</i>	
	–	27	W	<i>Break</i>	
9	16	Dec 2	M	Internalities	GLS Ch 18
	17	4	W	Review	
		TBD		Final Exam	Lectures 1-17

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), *Public Finance and Public Policy* by Jonathan Gruber (g), and *Labor Economics* by George Borjas

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 which section they are enrolled in. Students can reserve a 10-minute slot for themselves or for their groups. Students who have not reserved a slot may come to office hours anyway, but priority will be given to students who have reserved time.

- Prof. Jones: Tuesday, 3:30pm-5:30pm, Keller 2082. Sign up for a meeting [here](#).
- Prof. Kumar: Monday, 1:30pm-3:30pm, Keller 2081. Sign up for a meeting [here](#).
- Prof. Lo: Wednesday, 10:00am-12:00pm, 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

Students should be aware of the [10 hours of free tutoring services](#) offered by Harris to students enrolled in core classes.

Links to other resources:

[Harris Academic Support Programs and Handbook](#)
[Student Wellness](#)
[UChicagoGRAD](#)

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 **midterm exam** or **final exam** is completely not allowed, including the use of ChatGPT and other large language models.

Harris School and University of Chicago Policies

[Harris School Policies](#)

[University General Policies](#)

[University Academic Policies](#)

Policy on audio and video [recordings](#)

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

Students who may need support for their mental health and wellness should consult the following:

[Mental Health and Wellness Resources](#)