Recent Announcements

Micro A Follow-up: Intro Survey, Computers in Class, & iClickers

Hi all, Thank you for a great first day in Micro A. Below are some initial follow-up notes:

- Computers in Class: Please make sure your computer is fully charged or bring an adapter.
- iClickers: Be sure to download the app on your phone. If you have any trouble, let me know.

Welcome to Micro A

Folks: Welcome to Micro A, and the wonderful world of economics!

Course Objectives

Our goal is to see how learning to think like an economist can illuminate the world of public policy. We'll start with the key building blocks of economics – the four big ideas of cost-benefit analysis, opportunity cost, marginal analysis, and interdependence — and see how these tools can guide you to making better decisions. We will then explore supply and demand and use this to better understand international trade, externalities and environmental problems, the labor market, inequality and poverty, how businesses set prices, how to make strategic decisions, and how to respond to imperfect information, risk and uncertainty. Throughout, we'll see how the same ideas that illuminate the world of markets are essential to understanding just about every domain of public policy, and along the way, we'll see that they can help you make better decisions in your everyday life. Welcome to the wonderful world of economics!

Why Study Economics?

Economics provides a powerful lens for understanding the world around us. Many people see economics as synonymous with business and markets. But that's too narrow of a view. With some practice, you'll come to see economic forces in action whether you’re on a trading floor, at a wedding, watching a baseball game, or observing your friends interact. Alfred Marshall once described economics as “the study of mankind in the ordinary business of life.” That sounds about right to me.

Economists have a powerful influence on our world. Economists set prices on everything from ebooks to houses; they figure out how to save the environment, protect intellectual property, and whether to engage in international trade; they evaluate poverty, design social programs, set business strategies, and inform military strategy. They advise Presidents, state legislators, and local mayors, and they help run major...
corporations, small businesses, schools and hospitals, non-profits and governments. John Maynard Keynes once claimed that the “ideas of economists… both when they are right and when they are wrong are more powerful than is commonly understood. Indeed, the world is ruled by little else.”

**Economic analysis can help you make better decisions.** Every day, you are an economic actor, making decisions about whether to pursue an education, which partnerships (both romantic and strategic) to pursue, what to buy, what occupation to join, and whether to eat a healthy salad or a delicious burrito. Clear economic reasoning can be an essential input into every facet of your daily life.

## Class Meetings

### Lectures

Instructor: Professor Justin Wolfers

Contact: [jwolfers@umich.edu](mailto:jwolfers@umich.edu)

Lecture meeting times: Mondays and Wednesdays, 10am – 11:20am.

Lecture meeting location: 1120 Weill

Course materials and class website: [https://umich.instructure.com/courses/241395](https://umich.instructure.com/courses/241395)

### Discussion sections

Class sections will be held on Fridays from 1:00pm – 2:20pm, in Weill 1120. The goal of section is to extend material from the week’s lectures, review recent lecture material, and help you prepare and provide feedback on exams. Your section is as much a part of the class as lectures are, and the material covered in section is examinable. Your GSI’s are also available to provide advice and feedback.

Graduate student instructors:

- Emily Fletcher ([efletch@umich.edu](mailto:efletch@umich.edu))
- Emily Futcher ([efutcher@umich.edu](mailto:efutcher@umich.edu))

### Office hours

The GSI’s are available to provide you advice, feedback and help, and will run office hours four days a week in Weil 3208. They should be your first point of contact for most course-related questions:

- Emily Fletcher: Tuesdays 2:30pm – 4:00pm and Thursdays 2:30pm – 4:00pm
- Emily Futcher: Mondays 12:00pm – 1:30pm and Wednesdays 12:00pm – 1:30pm

Professor Wolfers will be available Mondays from 11:30am – 12:30pm.

## Course Materials

Instead of a textbook, for most classes I will post written notes to read ahead of class. The charge for this: $0. Yes, you read that right: Free. Nada. Nothing. And because I like you so much, I’m willing to offer you a further 50% discount. What you’re seeing is an early peek at my forthcoming Economics textbook that I’m
writing with Betsey Stevenson. Rather than charge you hundreds of dollars for the book, I'm asking for just two things:

1. That you come to class prepared, having done the reading ahead of time.
2. That you provide me with feedback on each chapter as you read them. I will be sending around a few surveys and trying to elicit feedback on how I can do a better job. Please help me improve the notes so that I can better help future generations of economics students.

Assignments and Grading

Grading

Your grade for this course will be determined by the points you earn during class as follows. There are a maximum of 1000 points available, broken down as follows:

- Midterm #1: 150 points
- Midterm #2: 150 points
- Cumulative final: 400 points
- Economics in Action essays: 150 points [3 best scores count]
- Graded homework: 150 points [10 best scores count]

Exams

- **Midterm exam #1** will be held in class on **October 10**. This 80 minute exam will focus on your understanding of the first third of the course, mostly pertaining to supply and demand analysis and its applications. The exam review session will be held on Sunday, October 7, time TBD.
- **Midterm exam #2** will be held in class on **November 7**. This 80 minute exam will focus on your understanding of the second third of the course, which involves applying economic analysis to public policy problems. The exam review session will be held on Sunday, November 4, time TBD.
- **Final exam**: Is a university-scheduled final exam, held on **December 14**, from 4:00pm – 6:00pm. This 110 minute final exam will be cumulative, so will test not only the new material you learn in the final third of the class (on how businesses make decisions), but also the material in all previous lectures.

Economics in Action essays

Your task is simple: Take an observation from your everyday life or from the news, and explain it through the lens of a concept that you learned in class. Each "essay" is a mere 500 words. Be creative. Be interesting. Be brief. You will have four opportunities to submit essays, and your best three count for your grade. Each essay should cover topics taught after the due date of the previous Economics in Action essay. To submit, you upload your essays into Canvas, as either a Word, Acrobat, or text file, by 11pm on the due date:

- Essay #1: September 30
- Essay #2: October 28
- Essay #3: November 18
• Essay #4: December 9

Problem sets

Roughly every week there will be an online problem set to review your understanding of recent lectures. These will typically be due at 11pm on a Tuesday or Thursday. There will be eleven problem sets in total, and the best ten will count toward your final grade. The due dates for these problem sets are all posted on Canvas. Students can use notes and lecture slides, but the problem sets must be completed independently.

Class Policies

I follow the norms of the Ford School, and so ask you to read about policies concerning academic integrity, accommodations for students with disabilities, student mental health and wellbeing, inclusivity, communications, attendance and assignments and use of technology, here: [http://fordschool.umich.edu/academics/expectations](http://fordschool.umich.edu/academics/expectations)

Class Attendance and Participation

Students are expected to attend and participate in class. While the class will have a lecture format, I expect you to bring questions, comments, and answers to class. The class will be much more enjoyable for me, you, and everyone else if we all don’t have to listen to me talk for 80 minutes straight. Also, we will cover some topics in class that are not covered in the readings.

Class Preparation

Lectures are a complement to the reading, and they proceed under the assumption that you have done the assigned reading. If you fail to read, you will likely struggle with the material. And if you fail to really keep up with the early material on supply and demand, the course will become basically impossible to complete. All readings have been posted online to Canvas.

Studies show that the best way to retain information is to take notes, using pencil and paper. Yes, this is stone age technology, but it also aids retention enormously. And so I will bring a handout to each class with a set of slides for you to annotate as we go. The slides themselves are not meant to be a comprehensive summary of the material – that is what the lecture is for, and so you should be ready to take notes.

Come to class ready to engage the material, and look your classmates (and me!) in the eye.

Eligible Students

Because this is a core Ford School class, it is only available to Ford School MPP, MPA and doctoral students, and no auditors are permitted.

Course Summary:

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https://umich.instructure.com/courses/241395
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| Wed Sep 5, 2018 | Lecture 1: Introduction to Economics  
(https://umich.instructure.com/calendar?event_id=235654&include_contexts=course_241395)  
10am to 11:20am |
| Fri Sep 7, 2018 | Micro A section  
(https://umich.instructure.com/calendar?event_id=235703&include_contexts=course_241395)  
1pm to 2:20pm |
| Mon Sep 10, 2018 | Lecture 2: 4 Core Principles  
(https://umich.instructure.com/calendar?event_id=235655&include_contexts=course_241395)  
10am to 11:20am |
| Tue Sep 11, 2018 | 1: Introduction & Core Principles of Economics  
(https://umich.instructure.com/courses/241395/assignments/575518)  
due by 11pm |
| Wed Sep 12, 2018 | Lecture 3: Individual demand  
(https://umich.instructure.com/calendar?event_id=235658&include_contexts=course_241395)  
10am to 11:20am |
| Fri Sep 14, 2018 | Micro A section  
(https://umich.instructure.com/calendar?event_id=235704&include_contexts=course_241395)  
1pm to 2:20pm |
| Mon Sep 17, 2018 | Lecture 4: Market demand  
(https://umich.instructure.com/calendar?event_id=235659&include_contexts=course_241395)  
10am to 11:20am |
| Tue Sep 18, 2018 | 2: Demand  
(https://umich.instructure.com/courses/241395/assignments/575276)  
due by 11pm |
| Wed Sep 19, 2018 | Lecture 5: Individual Supply  
(https://umich.instructure.com/calendar?event_id=235661&include_contexts=course_241395)  
10am to 11:20am |
| Fri Sep 21, 2018 | Micro A section  
(https://umich.instructure.com/calendar?event_id=235705&include_contexts=course_241395)  
1pm to 2:20pm |
| Mon Sep 24, 2018 | Lecture 6: Market Supply  
(https://umich.instructure.com/calendar?event_id=235674&include_contexts=course_241395)  
10am to 11:20am |
| Tue Sep 25, 2018 | 3: Supply  
(https://umich.instructure.com/courses/241395/assignments/575277)  
due by 11pm |
| Wed Sep 26, 2018 | Lecture 7: Equilibrium  
(https://umich.instructure.com/calendar?event_id=235662&include_contexts=course_241395)  
10am to 11:20am |
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<tr>
<td>Fri Sep 28, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235706&amp;include_contexts=course_241395">Micro A section</a> 1pm to 2:20pm</td>
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<td>Sun Sep 30, 2018</td>
<td><a href="https://umich.instructure.com/courses/241395/assignments/575382">Economics in Action Essay #1</a> due by 11pm</td>
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<td>Mon Oct 1, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235675&amp;include_contexts=course_241395">Lecture 8: Elasticity</a> 10am to 11:20am</td>
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<td>Wed Oct 3, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235663&amp;include_contexts=course_241395">Lecture 9: When Government Intervenes</a> 10am to 11:20am</td>
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<td>Thu Oct 4, 2018</td>
<td><a href="https://umich.instructure.com/courses/241395/assignments/575278">4: Equilibrium, Elasticity &amp; Government Policy</a> due by 11pm</td>
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<td>Fri Oct 5, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235707&amp;include_contexts=course_241395">Micro A section</a> 1pm to 2:20pm</td>
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<td>Sun Oct 7, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235690&amp;include_contexts=course_241395">Midterm review session</a> 12am</td>
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<td>Mon Oct 8, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235676&amp;include_contexts=course_241395">Lecture 10: Welfare and Efficiency</a> 10am to 11:20am</td>
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<td>Wed Oct 10, 2018</td>
<td><a href="https://umich.instructure.com/courses/241395/assignments/575214">Midterm #1</a> due by 10am</td>
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<td>Wed Oct 17, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235665&amp;include_contexts=course_241395">Lecture 11: Comparative advantage and international trade</a> 10am to 11:20am</td>
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<td>Fri Oct 19, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235709&amp;include_contexts=course_241395">Micro A section</a> 1pm to 2:20pm</td>
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<td>Mon Oct 22, 2018</td>
<td><a href="https://umich.instructure.com/calendar?event_id=235678&amp;include_contexts=course_241395">Lecture 12: Externalities</a> 10am to 11:20am</td>
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<td>Fri Oct 26, 2018</td>
<td>Micro A section (<a href="https://umich.instructure.com/calendar?event_id=235710&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235710&amp;include_contexts=course_241395</a>)</td>
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<td>Sun Oct 28, 2018</td>
<td>Economics in Action Essay #2 (<a href="https://umich.instructure.com/courses/241395/assignments/575383">https://umich.instructure.com/courses/241395/assignments/575383</a>)</td>
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<td>Mon Oct 29, 2018</td>
<td>Lecture 14: Wages, Work and Management (<a href="https://umich.instructure.com/calendar?event_id=235679&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235679&amp;include_contexts=course_241395</a>)</td>
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<td>Tue Oct 30, 2018</td>
<td>6: Labor Markets &amp; Wages and Workers (<a href="https://umich.instructure.com/courses/241395/assignments/575302">https://umich.instructure.com/courses/241395/assignments/575302</a>)</td>
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<td>Wed Oct 31, 2018</td>
<td>Lecture 15: Inequality, Poverty and the Safety Net (<a href="https://umich.instructure.com/calendar?event_id=235667&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235667&amp;include_contexts=course_241395</a>)</td>
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<td>Fri Nov 2, 2018</td>
<td>Micro A section (<a href="https://umich.instructure.com/calendar?event_id=235711&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235711&amp;include_contexts=course_241395</a>)</td>
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<td>Sun Nov 4, 2018</td>
<td>Midterm review session (<a href="https://umich.instructure.com/calendar?event_id=235691&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235691&amp;include_contexts=course_241395</a>)</td>
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<td>Mon Nov 5, 2018</td>
<td>Lecture 16: Social Insurance and Redistribution (<a href="https://umich.instructure.com/calendar?event_id=235680&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235680&amp;include_contexts=course_241395</a>)</td>
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<td>7: Inequality, Social Insurance &amp; Redistribution (<a href="https://umich.instructure.com/courses/241395/assignments/575272">https://umich.instructure.com/courses/241395/assignments/575272</a>)</td>
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<td>Wed Nov 7, 2018</td>
<td>Midterm #2 (<a href="https://umich.instructure.com/courses/241395/assignments/575217">https://umich.instructure.com/courses/241395/assignments/575217</a>)</td>
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<td>Fri Nov 9, 2018</td>
<td>Micro A section (<a href="https://umich.instructure.com/calendar?event_id=235712&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235712&amp;include_contexts=course_241395</a>)</td>
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<td>Mon Nov 12, 2018</td>
<td>Lecture 17: Market Structure and Market Power (<a href="https://umich.instructure.com/calendar?event_id=235681&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235681&amp;include_contexts=course_241395</a>)</td>
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<td>Wed Nov 14, 2018</td>
<td><strong>Lecture 18: Sophisticated Pricing Strategies</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235669&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Thu Nov 15, 2018</td>
<td><strong>8: Market Power &amp; Pricing Strategies</strong>&lt;br&gt;<img src="https://umich.instructure.com/courses/241395/assignments/575304" alt="Assignment Link" /> due by 11pm</td>
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<td>Fri Nov 16, 2018</td>
<td><strong>Micro A section</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235713&amp;include_contexts=course_241395" alt="Calendar Link" /> 1pm to 2:20pm</td>
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<td>Sun Nov 18, 2018</td>
<td><strong>Economics in Action Essay #3</strong>&lt;br&gt;<img src="https://umich.instructure.com/courses/241395/assignments/575384" alt="Assignment Link" /> due by 11pm</td>
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<td>Mon Nov 19, 2018</td>
<td><strong>Lecture 19: Entry, Exit and Long-Run Profits</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235682&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Wed Nov 21, 2018</td>
<td><strong>Micro A: CLASS CANCELLED (Happy Thanksgiving)</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235670&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Fri Nov 23, 2018</td>
<td><strong>Micro A section</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235714&amp;include_contexts=course_241395" alt="Calendar Link" /> 1pm to 2:20pm</td>
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<td>Mon Nov 26, 2018</td>
<td><strong>Lecture 20: Business Strategy</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235683&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Tue Nov 27, 2018</td>
<td><strong>9: Entry, exit and Long-Run Profitability &amp; Business Strategy</strong>&lt;br&gt;<img src="https://umich.instructure.com/courses/241395/assignments/575312" alt="Assignment Link" /> due by 11pm</td>
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<td>Wed Nov 28, 2018</td>
<td><strong>Lecture 21: Game Theory</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235671&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Fri Nov 30, 2018</td>
<td><strong>Micro A section</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235715&amp;include_contexts=course_241395" alt="Calendar Link" /> 1pm to 2:20pm</td>
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<td>Mon Dec 3, 2018</td>
<td><strong>Lecture 22: Advanced Game Theory</strong>&lt;br&gt;<img src="https://umich.instructure.com/calendar?event_id=235684&amp;include_contexts=course_241395" alt="Calendar Link" /> 10am to 11:20am</td>
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<td>Tue Dec 4, 2018</td>
<td><strong>10: Game Theory</strong>&lt;br&gt;<img src="https://umich.instructure.com/courses/241395/assignments/575317" alt="Assignment Link" /> due by 11pm</td>
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<td>Wed Dec 5, 2018</td>
<td>Lecture 23: Uncertainty (<a href="https://umich.instructure.com/calendar?event_id=235672&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235672&amp;include_contexts=course_241395</a>) 10am to 11:20am</td>
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<td>Sun Dec 9, 2018</td>
<td>Economics in Action Essay #4 (<a href="https://umich.instructure.com/courses/241395/assignments/575385">https://umich.instructure.com/courses/241395/assignments/575385</a>) due by 11pm</td>
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<td>Mon Dec 10, 2018</td>
<td>Lecture 24: Private Information (<a href="https://umich.instructure.com/calendar?event_id=235685&amp;include_contexts=course_241395">https://umich.instructure.com/calendar?event_id=235685&amp;include_contexts=course_241395</a>) 10am to 11:20am</td>
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<td>Tue Dec 11, 2018</td>
<td>11: Decisions Under Uncertainty &amp; Decisions with Private Information (<a href="https://umich.instructure.com/courses/241395/assignments/575336">https://umich.instructure.com/courses/241395/assignments/575336</a>) due by 11pm</td>
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<td>Fri Dec 14, 2018</td>
<td>Cumulative Final Exam (<a href="https://umich.instructure.com/courses/241395/assignments/575218">https://umich.instructure.com/courses/241395/assignments/575218</a>) due by 4pm</td>
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