

Recent Announcements

	<p><u>Micro A Follow-up: Intro Survey, Computers in Class, & iClickers</u> (https://umich.instructure.com/courses/241395/discussion_topics/536478) Hi all, Thank you for a great first day in Micro A. Below ar... (https://umich.instructure.com/courses/241395/discussion_topics/536478)</p>	<p>Posted on: Sep 5, 2018 at 1:16pm</p>
	<p><u>Welcome to Micro A</u> (https://umich.instructure.com/courses/241395/discussion_topics/535763) Folks:Welcome to Micro A, and the wonderful world of e... (https://umich.instructure.com/courses/241395/discussion_topics/535763)</p>	<p>Posted on: Sep 5, 2018 at 12:34am</p>

PUBPOL 555 001 FA 2018

[Jump to Today](#)



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>

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:saskiad@umich.edu>)) and
- 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:

Date**Details**

Date	Details	
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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Fri Sep 28, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235706&include_contexts=course_241395)	1pm to 2:20pm
Sun Sep 30, 2018	 Economics in Action Essay #1 (https://umich.instructure.com/courses/241395/assignments/575382)	due by 11pm
Mon Oct 1, 2018	 Lecture 8: Elasticity (https://umich.instructure.com/calendar?event_id=235675&include_contexts=course_241395)	10am to 11:20am
Wed Oct 3, 2018	 Lecture 9: When Government Intervenes (https://umich.instructure.com/calendar?event_id=235663&include_contexts=course_241395)	10am to 11:20am
Thu Oct 4, 2018	 4: Equilibrium, Elasticity & Government Policy (https://umich.instructure.com/courses/241395/assignments/575278)	due by 11pm
Fri Oct 5, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235707&include_contexts=course_241395)	1pm to 2:20pm
Sun Oct 7, 2018	 Midterm review session (https://umich.instructure.com/calendar?event_id=235690&include_contexts=course_241395)	12am
Mon Oct 8, 2018	 Lecture 10: Welfare and Efficiency (https://umich.instructure.com/calendar?event_id=235676&include_contexts=course_241395)	10am to 11:20am
Wed Oct 10, 2018	 Midterm #1 (https://umich.instructure.com/courses/241395/assignments/575214)	due by 10am
Wed Oct 17, 2018	 Lecture 11: Comparative advantage and international trade (https://umich.instructure.com/calendar?event_id=235665&include_contexts=course_241395)	10am to 11:20am
Fri Oct 19, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235709&include_contexts=course_241395)	1pm to 2:20pm
Mon Oct 22, 2018	 Lecture 12: Externalities (https://umich.instructure.com/calendar?event_id=235678&include_contexts=course_241395)	10am to 11:20am
Tue Oct 23, 2018	 5: What do Markets do? & International Trade & Externalities (https://umich.instructure.com/courses/241395/assignments/575279)	due by 11pm

Date	Details	
Wed Oct 24, 2018	 Lecture 13: Labor Markets (https://umich.instructure.com/calendar?event_id=235666&include_contexts=course_241395)	10am to 11:20am
Fri Oct 26, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235710&include_contexts=course_241395)	1pm to 2:20pm
Sun Oct 28, 2018	 Economics in Action Essay #2 (https://umich.instructure.com/courses/241395/assignments/575383)	due by 11pm
Mon Oct 29, 2018	 Lecture 14: Wages, Work and Management (https://umich.instructure.com/calendar?event_id=235679&include_contexts=course_241395)	10am to 11:20am
Tue Oct 30, 2018	 6: Labor Markets & Wages and Workers (https://umich.instructure.com/courses/241395/assignments/575302)	due by 11pm
Wed Oct 31, 2018	 Lecture 15: Inequality, Poverty and the Safety Net (https://umich.instructure.com/calendar?event_id=235667&include_contexts=course_241395)	10am to 11:20am
Fri Nov 2, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235711&include_contexts=course_241395)	1pm to 2:20pm
Sun Nov 4, 2018	 Midterm review session (https://umich.instructure.com/calendar?event_id=235691&include_contexts=course_241395)	12am
Mon Nov 5, 2018	 Lecture 16: Social Insurance and Redistribution (https://umich.instructure.com/calendar?event_id=235680&include_contexts=course_241395)	10am to 11:20am
	 7: Inequality, Social Insurance & Redistribution (https://umich.instructure.com/courses/241395/assignments/575272)	due by 11pm
Wed Nov 7, 2018	 Midterm #2 (https://umich.instructure.com/courses/241395/assignments/575217)	due by 10am
Fri Nov 9, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235712&include_contexts=course_241395)	1pm to 2:20pm
Mon Nov 12, 2018	 Lecture 17: Market Structure and Market Power (https://umich.instructure.com/calendar?event_id=235681&include_contexts=course_241395)	10am to 11:20am

Date	Details	
Wed Nov 14, 2018	 Lecture 18: Sophisticated Pricing Strategies (https://umich.instructure.com/calendar?event_id=235669&include_contexts=course_241395)	10am to 11:20am
Thu Nov 15, 2018	 8: Market Power & Pricing Strategies (https://umich.instructure.com/courses/241395/assignments/575304)	due by 11pm
Fri Nov 16, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235713&include_contexts=course_241395)	1pm to 2:20pm
Sun Nov 18, 2018	 Economics in Action Essay #3 (https://umich.instructure.com/courses/241395/assignments/575384)	due by 11pm
Mon Nov 19, 2018	 Lecture 19: Entry, Exit and Long-Run Profits (https://umich.instructure.com/calendar?event_id=235682&include_contexts=course_241395)	10am to 11:20am
Wed Nov 21, 2018	 Micro A: CLASS CANCELLED (Happy Thanksgiving) (https://umich.instructure.com/calendar?event_id=235670&include_contexts=course_241395)	10am to 11:20am
Fri Nov 23, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235714&include_contexts=course_241395)	1pm to 2:20pm
Mon Nov 26, 2018	 Lecture 20: Business Strategy (https://umich.instructure.com/calendar?event_id=235683&include_contexts=course_241395)	10am to 11:20am
Tue Nov 27, 2018	 9: Entry, exit and Long-Run Profitability & Business Strategy (https://umich.instructure.com/courses/241395/assignments/575312)	due by 11pm
Wed Nov 28, 2018	 Lecture 21: Game Theory (https://umich.instructure.com/calendar?event_id=235671&include_contexts=course_241395)	10am to 11:20am
Fri Nov 30, 2018	 Micro A section (https://umich.instructure.com/calendar?event_id=235715&include_contexts=course_241395)	1pm to 2:20pm
Mon Dec 3, 2018	 Lecture 22: Advanced Game Theory (https://umich.instructure.com/calendar?event_id=235684&include_contexts=course_241395)	10am to 11:20am
Tue Dec 4, 2018	 10: Game Theory (https://umich.instructure.com/courses/241395/assignments/575317)	due by 11pm

Date	Details	
Wed Dec 5, 2018	 Lecture 23: Uncertainty (https://umich.instructure.com/calendar?event_id=235672&include_contexts=course_241395)	10am to 11:20am
Sun Dec 9, 2018	 Economics in Action Essay #4 (https://umich.instructure.com/courses/241395/assignments/575385)	due by 11pm
Mon Dec 10, 2018	 Lecture 24: Private Information (https://umich.instructure.com/calendar?event_id=235685&include_contexts=course_241395)	10am to 11:20am
Tue Dec 11, 2018	 11: Decisions Under Uncertainty & Decisions with Private Information (https://umich.instructure.com/courses/241395/assignments/575336)	due by 11pm
Fri Dec 14, 2018	 Cumulative Final Exam (https://umich.instructure.com/courses/241395/assignments/575218)	due by 4pm