

USC Dornsife

**Economics 203:
Principles of Microeconomics**

Units: 4

Fall 2016

Instructor: Professor Matthew E. Kahn

Office: KAP 324D

Office Hours: Tues, Thurs 11am-Noon and after each class for 30 minutes

Contact Info: kahnme@usc.edu

Teaching Assistants:

Ali Abboud

aabboud@usc.edu

office hour: Monday 2-4pm in KAP 363

Yuqing Hu

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Weining Xin

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office hour: Monday 10-11am KAP 363

Course Description

This undergraduate level course introduces students to the basic ideas of micro economics. Students will learn how economists think about incentives, tradeoffs and opportunity cost. The basic supply and demand model will be used to explain and predict human behavior. Numerous real world examples will be discussed. Empirical hypothesis testing will be introduced to provide students with intuition for why they should study statistics and econometrics.

Professor Biography

Matthew E. Kahn is a Professor of Economics at USC. He is a research associate at the National Bureau of Economic Research and the IZA. He holds a Ph.D. in economics from the University of Chicago. He has served as a Professor at Columbia University and the Fletcher School at Tufts University and UCLA. He has served as a Visiting Professor at Harvard, Stanford University and the National University of Singapore. He is the author of *Green Cities: Urban Growth and the Environment* (Brookings Institution Press 2006) and the co-author of *Heroes and Cowards: The Social Face of War* (Princeton University Press 2008). He is the author of *Climatopolis: How Our Cities Will Thrive in the Hotter World* (Basic Books 2010). In 2013, he published *Fundamentals of Environmental and Urban Economics* (Amazon Books). In May 2016 Princeton University Press published his co-authored book titled *Blue Skies Over Beijing: Economic Growth and the Environment in China*. You can read chapter 1 for free at this website; <http://press.princeton.edu/titles/10701.html>. His research areas include: environmental, urban, energy and real estate economics.

Research Webpage: mek1966.googlepages.com

Twitter: @matkahn1966, also USC_Econ is the Departments' official Twitter page

Green Economics Blog: greeneconomics.blogspot.com

Learning Objectives

This course seeks to introduce students to the major ideas in modern microeconomics.

Go to this webpage to keep up on events at USC Economics:

<http://dornsife.usc.edu/econ/undergraduate/>

Course Notes

All of our class notes and assignments will be posted to our class Blackboard page. Consult this page often for updates. Each week material will be placed in that week's folder.

https://blackboard.usc.edu/webapps/blackboard/execute/announcement?method=search&context=course&course_id=_157732_1&handle=cp_announcements&mode=cpview

Grading Breakdown

Homeworks	25%
Midterm	25%
Participation	5%
Class Paper	10%
Class Final	35%

There will be weekly homeworks and these questions will form the basis for the midterm and final exam. Participation will be determined by attendance and the quality of your discussion in class and in TA sessions. The class economic policy paper will be due during 11th week and it will be a 5 page paper. Details will be discussed later in the course.

Homeworks can be completed by study groups. Each study group can consist of 5 or fewer people. Each study group should submit one completed problem set with your name and student ID on the first page in the upper right corner. No late assignments will be accepted. **Do NOT** submit emailed assignments. We will need one printed copy of your assignment for each studygroup.

The MIDTERM exam is set for Thursday 10/13/2016. The FINAL exam date will be announced during the course. There will be no makeup exams. If you miss the midterm, your final exam will count for 60% of the class grade.

Any plagiarism, including copying homework and cheating on the exams, is unacceptable and will lead to a grade of "F" without negotiation.

Students who will miss the homework deadlines or exams due to university-sanctioned events or health problems should inform the instructor or TAs with official documentations as early as possible.

Required Class Textbook

A .pdf version of our textbook is available for free at

<https://openstax.org/details/principles-microeconomics>

Amazon sells a print copy of this book for roughly \$35. There are many micro texts that you can check out from the library.

Course Schedule: A Weekly Breakdown

Students should do the reading **before class** and be prepared to discuss the readings.

Each week, your responsibilities are to: 1. Attend class, 2. Do the readings before class, 3. Work on the problem set, 4. Attend TA sessions.

More readings will be added each weekend before the class each week

	Topics/Daily Activities	Readings	Deliverable/ Due Dates
Week 1	Why Study Economics? Scarcity	Chapter 1 and 2	8/23/16 8/25/16 HW #1 will be handed out
Week 2	Supply and Demand I	Chapter 3	8/30/16 HW #1 will be due and HW #2 will be handed out 9/1/16
Week 3	Supply and Demand II Elasticities	Chapter 3 and additional materials Chapter 5	9/6/16 HW #2 is due and HW #3 will be handed out 9/8/16
Week 4	Using Supply and Demand to understand labor markets and the economics of poverty and immigration	Chapter 4 and 14 and 15	9/13/16 HW #3 is due and HW #4 will be handed out 9/15/16
Week 5	Using Supply and Demand to understand financial markets	Chapter 4 2 nd half and Chapter 16 and 17	9/20/16 HW #4 is due and HW #5 will be handed out 9/22/16
Week 6	Consumer Choice	Chapter 6	9/27/16 Class paper is due
Week 7	Theory of the Firm	Chapter 7	10/4/16 HW #5 is due and HW #6 will be handed out 10/6/16
Week 8	Industrial Organization I	Chapter 8	10/11/16 HW #6 is due 10/13/16 MIDTERM
Week 9	The Economics of Monopoly and a brief introduction to	Chapters 9 and 10	No Class on 10/18/16 and HW #7 is handed out 10/20/16

	strategy and game theory		
Week 10	Finish game theory discussion and Government Intervention in the Market I Consumer Protection	Chapter 11	10/25/16 HW #7 is due and HW #8 will be handed out 10/27/16
Week 11	Government Intervention in the Market II Environmental Protection	Chapter 12	11/1/16 HW #8 is due and HW #9 will be handed out 11/3/16 GUEST Lecture
Week 12	An introduction to statistics and economic hypothesis Testing	Alan Sykes' article	11/8/16 No HW and HW #9 is due 11/10/16
Week 13	An introduction to the economics of politics (public choice and taxation)	Chapter 18	11/15/16 HW #10 is distributed 11/17/16
Week 14	The Economics of International Trade and economic development	Chapters 19 and 20	11/22/16 HW #10 is due 11/24/16 NO CLASS
Week 15	Course Review		11/29/16 12/1/16
FINAL Date TBA			Date: For the date and time of the final for this class, consult the USC <i>Schedule of Classes</i> at www.usc.edu/soc .

Statement on Academic Conduct and Support Systems

Academic Conduct

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage sarc@usc.edu describes reporting options and other resources.

Support Systems

A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.

Students requesting academic accommodations based on a disability are required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP when adequate documentation is filed. Please be sure the letter is delivered to me (or to the T.A.) as early in the semester as possible. DSP is open Monday-Friday, 8:30-5:00. The office is located at Student Union 301 (Ph: 213-740.0776).

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

Special accommodations for student athletes are available at https://www.provost.usc.edu/ocaa_guidelines/. Athletes who need accommodations (especially if the exam date conflicts with a competition) should inform the instructor and TAs as early as possible.