

Fall 2012-AEDE 2001 Syllabus
Ohio State University
AED Economics 2001: Principles of Food and Resource Economics
9:35am – 10:55am T-Th-- Postle 1184

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Carmen Website: www.carmen.osu.edu [online version has the tentative course schedule]

Required Textbook:

Case, Karl E., Ray C. Fair, and Sharon Oster. *Principles of Microeconomics*. 10th Edition, Upper Saddle River, NJ: Prentice Hall, 2012. {The 10th edition was just printed. The 9th Edition is less expensive and will work fine if you buy it online. However, you will have to figure out how the 10th and 9th editions correspond to one another as I will only refer to the 10th Edition.}

Check out the textbook's web site at <http://www.prenhall.com/casefair/> for the online resources.

Suggested Reading:

The *Wall Street Journal* and the *Economist* (focus on sections that deal with economic issues). College is more than having a good time. It is also an excellent opportunity for you to understand the world around you. In the global economy, and with good jobs hard to obtain, only a fool would not try to understand current events and the global economy. One of the ways you can differentiate yourself in the job market is by having a basic knowledge of the global players that you will be doing business with or competing against.

Course Description:

This course is designed to acquaint you to introductory microeconomics. What is microeconomics? Our textbook's definition is: the branch of economics that examines the functioning of individual industries and the behavior of individuals, firms, and households. Sounds cool, but, what does this really mean to you? How does this apply to the real world? Pick up a paper lately? What are some issues?

Have you ever noticed that gas stations always have the same price for their product? Why? Why do gas stations raise their price on the weekend and lower them on Monday? On the other hand, why doesn't your cable bill go down? Will markets change with the growth of the internet and the low cost of developing web sites? Is Apple a behemoth that needs to be stamped out by the government or is it an innovator that is the friend of consumers? We will examine why these market situations differ from each other. We will start with the nuts and bolts about firm cost structures and work our way up to consider why one industry differs from another. There are subtle differences in firm and industry cost structures that result in completely different pricing behavior. Regardless of whether you are a consumer or manager, understanding firm or industry behavior will give you a leg-up in the future.

The vast majority of markets for goods and services work very well. However, some markets don't work as well. What about the health care industry? U.S. health care is the most expensive in the industrial world and in simple measures such as life expectancy and infant mortality rates, the U.S. is about average. What about industries in which their factories pollute? Clearly, nearby residents are suffering from the damage of the pollution through no fault of their own. In all of these examples, there is a possibility that government action could improve the situation. We will discuss why these examples are different from the norm of where government should leave the marketplace alone. Then, we will examine

whether government action could make the situation worse.

These are just a few areas and their practical applications that this course will explore. If you are up on what is going on in the world, these issues will be even more interesting to examine.

If after taking this class, any of you has an interest in majoring in AED economics program, I'd be happy to discuss career opportunities in the wide variety of possible fields. **Regardless, all people are much better off if they have economic literacy and I believe you will be surprised by how much you liked this course.** Many poor business decisions are often caused by economic ignorance. Moreover, our major is excellent training for many different graduate programs (e.g., MBA, Ph.D., Law, JD)

University Emergency:

The dates in this syllabus are tentative. Be aware that the instructor will likely have to revisit the dates and methods of course evaluation if there is a university emergency—e.g., a flu pandemic.

Evaluation and Grading:

The instructor welcomes and will reward classroom attendance and participation. The professor will sometimes take attendance and will sometimes add attendance bonus points to the test scores (**if the student is *NOT* tardy and *STAYS* the whole period**). Bonus quizzes may be given on occasion where the bonus points will be added to the test scores. Of course, to get the bonus points, a student has to come to class for attendance or the quizzes. Good intentions about coming to class are not the same thing as actually coming to class. **If you choose to miss a non-test class day for whatever reason (say you went on a field trip with a different club), you will not be penalized, but you will not get bonus points. Each student is responsible to come to class and listen to announcements about any changes in the schedule. The instructor has no sympathy for those who only want to come to class on test days. Too often, such students miss key announcements and can even miss a test date if they miss a class announcement about a change in the test date (and receive a ZERO).**

There are 4 in-class exams. Each exam is about 90 minutes long. **I will take three of the highest four exams.** The fourth exam during finals week is cumulative and is optional if you take the first three exams. You can miss any one of the first three exams for any reason and you can take the fourth exam without penalty. The final grade will be determined as follows (all dates are subject to change and will be announced at one week in advance, where the last test day is intended to be the announced date in the official university schedule):

Exam I	31.67%	Thursday, September 20
Exam II	31.67%	Thursday, October 25
Exam III	31.67%	Thursday, November 29
Exam IV	31.67%*	Friday, Dec. 7, at 10:00am to 11:45am (note date in setting travel plans).

I will take 3 of the highest 4 exams in setting final grades.

Homework	5%	Assigned in class with due dates set in class.
Total	100%	

If you miss a test day for any reason, you will not be penalized. However, you will have to take the fourth test during finals week to make it up. **There are no make-ups for the first three exams because the fourth test is the make-up.**

Preparation for Class/Exams:

All students are expected to complete the assigned readings prior to class. Also, if students read the material before class, the lectures will be clearer. Students are also responsible for all assigned reading material (whether or not it is covered in class). Likewise, students are responsible for all supplementary material covered in class, but not in the text (including handouts). The tests will stress in-class discussion. This does not rule out test questions from the book which were not discussed in class.

Extra Credit:

There are no forms of extra credit besides what is described above. Make sure that you come in early in the semester for extra help on the material if you are having difficulty in the course.

Incomplete Grades:

Incomplete grades are given only under the most incredibly extraordinary circumstances. Basically assume that they will not be given.

Class Attendance/Participation:

Attendance is optional except on test dates. However, your attendance is expected each time the class meets. You are responsible for all materials covered in class regardless of whether it is in the textbook or not, and are responsible for all announcements made in class. Don't be surprised if the instructor calls on you in class!!!! Two purposes of this are to keep your attention and to find out what you know. One of the learning experiences that college offers is the opportunity to show individual responsibility. If you do not come to class, it will be reflected in your final grade.

The instructor does not want people leaving in the middle of lecture without first discussing it with him. It irritates the instructor and is distracting for everyone else. If you think you may have the urge to leave early and do not want to discuss it with the instructor, please do not come to class that day. **Likewise, please no texting in class or surfing the web in class as it distracts the teacher and other students. Finally, please turn off your cell phone ringer when you are in class. It goes without saying how disruptive a ringing cell phone is during a class lecture. This rule includes the teacher, who may be the most clumsy of the group!**

Academic Accommodations:

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. I do ask that, as a courtesy, students notify me at the beginning of the semester of any accommodations required. University documentation should be provided to me no later than 5 days before the first examination so that proper accommodations can be arranged.

Academic Misconduct (and cheating):

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty.

Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct." The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct. If I suspect that a student has committed academic misconduct in this course, I am **obligated** by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me. Other sources of information on academic misconduct (integrity) to which you can refer include:

- The Committee on Academic Misconduct web pages

<http://oaa.osu.edu/coam/home.html>

• Ten Suggestions for Preserving Academic Integrity:

<http://oaa.osu.edu/coam/ten-suggestions.html>

• Eight Cardinal Rules of Academic Integrity

<http://www.northwestern.edu/uacc/8cards.html>

The moral is: If you don't cheat, this should not be a problem for you!! [Thanks to Professor Roberts on this section].

Suggestions and hints:

1. Please see me or the teaching assistant me if you need to make an appointment.
2. Read the book! It is extremely stupid to pay hundreds of dollars for a course and fail the course because you do not read the book. If you do not want to read an economics book, then you should probably drop the course and save yourself time, money, and effort.
3. There are hundreds of economics books in the library. If this text does not suit you, try another book.
4. The material builds on itself. Seek help if you are getting lost. Ask questions in class before you fall behind and come to my or the TA's office hours if you need further help.
5. It is difficult to learn economics by only attending class and taking notes. I urge you to attempt problems, exercises, and outline your notes.

ONLINE VERSION OF THE SYLABUS HAS A TENTATIVE COURSE OUTLINE.

AEDE 200, Fall 2012—Tentative Schedule

The following is a tentative outline of course content, which may be a little more aggressive than what we will actually cover. The only way to definitely find out what will be covered in the following lectures is to come to class and listen to the class announcements. Moreover, the material covered on tests will be announced in class.

Week 1 (August 23):

Chapter 1: Course Introduction, Scope and Method of Economics

Appendix to Chapter 1: Working with Graphs

Week 2:

Chapter 2: The Economic Problem: Scarcity and Choice

Chapter 3: Demand, Supply, and Market Equilibrium (start)

Week 3:

Chapter 3: Demand, Supply, and Market Equilibrium (finish)

Week 4:

Chapter 4: Demand and Supply Applications

Week 5:

Chapter 5: Elasticity

Week 6:

Chapter 6: Household Behavior and Consumer Choice

Chapter 7: The Production Process: The Behavior of Profit Maximizing Firms (start)

Week 7:

Chapter 7: The Production Process: The Behavior of Profit Maximizing Firms (finish)

Chapter 8: Short-Run Costs and Output Decisions (start)

Week 8:

Chapter 8: Short-Run Costs and Output Decisions (finish)

Chapter 9: Long-Run Costs and Output Decisions (start)

Week 9:

Chapter 9: Long-Run Costs and Output Decisions (finish)

Chapter 10: Input Demand: Labor and Land Markets (start)

Week 10:

Chapter 10: Input Demand: Labor and Land Markets (finish)

Week 11:

Chapter 12: General Equilibrium and The Efficiency of Perfect Competition

Chapter 16: Externalities, Public Goods, Imperfect Information, and Social Choice

Week 12:

Chapter 17: Uncertainty and Asymmetric Information

Week 13:

Chapter 13: Monopoly and Antitrust Policy

Week 14 (Thanksgiving Week):

Chapter 15: Monopolistic Competition

Week 15:

Chapter 14: Oligopoly

Review if time permits

Week 16: Final Exam