

APEC 1101 - PRINCIPLES OF MICROECONOMICS

Summer 2022
06/06/22 – 07/29/22

Instructor:	SongYi Paik	Time:	(Lecture) Mon Tue Wed Thur 9:00AM – 11:00AM
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Office Hours:	Wed 11:00 AM - 12:00 PM	Place:	420B Bruininks Hall

Objectives

This course is primarily designed as an introductory undergraduate course (4-credits) that teaches the fundamentals of microeconomics. Microeconomics is the study of how individuals, households, and firms make decisions given limited resources (e.g. time, money, labor, capital, etc.) and in response to changes in incentives and prices. Every day, everyone faces resources constraints and must make decisions. Deciding on one option means losing something else. You decided to go to college rather than get a job. Among other schools, you chose the University of Minnesota. You decided to take this course this Summer 2022 instead of doing an internship or enjoying sunny weather in Minnesota. In your life, you've learned that making decisions involves tradeoffs, and this course will help you learn how you make decisions in your everyday lives *using the economic way of thinking*. Furthermore, I hope that you come away from this course with a useful framework with which to interpret others' decisions as well as firms' and governments' behavior and how those choices affect the well-being of the members in our society.

Student Learning Outcomes

By the end of this course, students should be able to:

1. Explain the concepts of opportunity cost and comparative advantage.
2. Understand supply and demand and the forces that determine a market equilibrium.
3. Calculate the price elasticity of demand and supply, income elasticity, and other elasticities.
4. Demonstrate knowledge of market failure using public goods and externalities.
5. Solve a producer's cost-minimizing problem.
6. Understand different types of market structures (a competitive market, monopoly, and oligopoly).
7. Demonstrate how wage rates are determined in labor markets.
8. Describe how income inequality is measured, and how poverty trends have changed over time.
9. Explain behavioral economics and how it contrasts with neoclassical economics.

Prerequisites

Principles of Microeconomics is an introductory Applied Economics course, and thus the course has no prerequisites.

Required Textbook

McConnell et al. *Microeconomics, Brief Edition* (3rd edition) with Connect

Students are required to rent the eBook which comes with Connect access to read the book and complete class requirements. Under the Inclusive Access arrangement, the fee is \$75.50, which will be charged to your student account by the U of M Bookstores after enrollment, and the digital materials will be delivered to your Canvas course page. In addition to the eBook, if students need the book in print format, they can additionally purchase a loose-leaf version through the U of M Bookstores at \$33.50.

Before the class starts, students need to create an account with McGraw-Hill Connect. The easy way to create an account is to open the first Pre-Class Exercise (Assignments/Pre-Class Exercises/PCE-1), which will lead to user registration. A student who already has an account on McGraw-Hill does not need to create a new account. If necessary, see the course Canvas site (Modules/Section A/Course Information A-2: McGraw-Hill Connect & SmartBook Orientation Videos) on how to create an account.

Readings

The class consists of three phases. Each phase is grouped with related chapters, and students will take an exam after each phase is done. The topics indicated in the following table correspond to the lectures in the class calendar. The chapters are relatively short and concise, and you should read the entire chapter or at least the highlighted parts in the eBook while you do your Pre-Class Exercises.

	McConnell et al. Chapter	Topic
Phase 1	Chapter 1	Opportunity costs and comparative advantage
	Chapter 2	Markets
	Chapter 3	Supply and demand
	Chapter 4	Elasticity
Phase 2	Chapter 5	Public goods and externalities
	Chapter 6	Costs
	Chapter 7	Perfect competition
	Chapter 8	Monopoly and natural monopoly
Phase 3	Chapter 9	Oligopoly and monopolistic competition
	Chapter 10	Wage determination
	Chapter 11	Poverty and inequality
	Chapter 14	Behavioral Economics

Course Structure

The following multiple activities will help you to understand the content of the course. Detailed information for each activity and how they contribute to your grade can be found below.

1. Pre-Class Exercises (PCEs) (11.5%)

To encourage student engagement with the textbook and get your mind ready for the concepts, you will be required to complete online PCE activities. PCEs are multiple choice, and you can answer questions until you get them answered correctly. It is expected that you will get 100% on PCE assignments. Since the PCEs are to help you get ready for the class activities, **PCEs are due by 11:59 PM on the day before the class starts, and late submissions are not permitted.**

2. In-Class Exercises (ICEs) (24%)

During our class periods, I will present short lectures, and then you will complete in-class exercises. The purpose of the ICE is to activate student learning through regular practice. You will be assigned to working groups so that you can work together to complete the ICE. You are required to hand in ICEs **at the end of class (12:05 PM on Monday and 11 AM from Tuesday to Thursday)**. If you miss a class, you must submit an ICE on Canvas by the deadline. **For late submissions, the “5-Day-10%-Per-Day Grace Period Policy” applies.¹**

The grading for the ICEs will follow the six-level scheme shown in the table below:

Out of 100 points, you get	If your raw score is
100	$100 \geq \text{your score} > 90$
90	$90 \geq \text{your score} > 80$
80	$80 \geq \text{your score} > 70$
70	$70 \geq \text{your score} > 60$
60	$60 \geq \text{your score} > 0$
0	Not submitted

3. Homework assignments (HW) (15%)

There will be six online homework assignments in the class. These have a multiple-choice format and should be done in one sitting. If you choose, you can do these homeworks a second time for a better grade. **You will have until 11:59 PM on the Sunday** following the week during which the homework was assigned. **The “5-Day-10%-Per-Day Grace Period Policy” applies for late submissions**, discussed in footnote 1.

4. Exams (32%)

There will be three exams in total on **June 22 (Midterm 1), July 12 (Midterm 2), and July 28 (Final)**, each occurring at the end of a phase. The exams are intended to keep you on pace in the class and to ensure that you are taking time to absorb and reflect on information as we proceed. Exams will be either multiple choice or numeric fill-in-the-blank. All exams will be curved to a class distribution of 75%, based on non-zero data points.

¹Day-10%-Per-Day Grace Period Policy

There will be a 5-day grace period after the assignment is due. However, a penalty of 10% per day of the available points will be imposed for late submissions (1 day: from 1 second to 24 hours). An assignment in a phase will be closed 5 days after its due date or at the starting time of the phase exam, whichever comes first.

A make-up exam will be administered only if you notify me in advance and the reason for your absence from the scheduled exam falls in one of the following six categories: (i) illness or family emergency, (ii) participation in intercollegiate athletic events, (iii) participation in formal University system governance (such as Student Senate and Board of Regents meetings), (iv) participation in military service, (v) participation in civic activities (such as jury duty and voting in a state or national election), or (vi) participation in a religious event sanctioned by the University. In all cases, documentation or prior approvals are required.

5. Policy brief (13%)

5.1 Topic

To apply the economics concepts learned in the class to pressing real-world problems, students will be asked to write a policy brief related to the coronavirus from a global perspective. This assignment is not intended to reflect your political opinions. The purpose of this assignment is to think and analyze a country's decision-making process and the revealed or expected consequences on individuals, households, firms, governments, or the world from the perspective of economics.

You have to upload at least **two topics** on Canvas at the end of the first week (**due by Sunday June 12th 11:59 PM**) by ranking your preferences. I will use a random lottery to assign topics if more than one person chooses the same one. **The "5-Day-10%-Per-Day Grace Period Policy" applies for late submissions**, discussed in footnote 1.

5.2 Writing

At the end of the fourth week (**due by Sunday July 3rd 11:59 PM**), you are required to submit your **two-page** (excluding the reference list) written policy brief on Canvas. You will receive my feedback in the following week. Details on the policy brief project can be found in the Policy Brief Project Syllabus on Canvas (Modules/Section A: Course Information/A-3: Policy Brief) which includes a suggested checklist of the outline and the grading rubric. **The "5-Day-10%-Per-Day Grace Period Policy" applies for late submissions**, discussed in footnote 1.

5.3 Presentation

You will present your work in either 7th or 8th week of Monday's discussion session (**July 18th or 25th**). Your presentation will be capped at 7 minutes and 3 minutes for Q&A. I will also use the same random lottery to sort out ties over the date and time of your presentation, but with the order reversed (i.e., the person who gets first pick over topics gets the last pick over date slots).

6. Check-Ins (1.5%)

These are easy points.

- The first check-in is the survey called "Getting to know you." (**Due by Tuesday June 7th 11:59 PM**)
- The second one is "Mid-course evaluation" which is a good opportunity for students to tell me the most effective and least effective aspects of this course and for me to make in-term adjustments to support students' learning. The survey will be set to anonymous. (**Due by Sunday July 3rd 11:59 PM**)
- The third check-in is "Student Rating of Teaching (SRT)." Course evaluations help me determine

whether course content met the needs of students and make adjustments to the course in the future and help our department assess the effectiveness of the course. The results will not be sent to me until after the final grades for the course have been submitted, and evaluations will be anonymous. Evaluation is set to start on July 17th and **is due by Friday July 29th 11:59 PM.**

7. Attendance (3%)

Treat this course like a job. You should be at work every single day on time. Your employer is expecting a qualified, competent professional with a strong work ethic, and so are your instructors. If you miss class for any reason, it is the student's responsibility to obtain notes and assignment details from a classmate.

Everyone in class begins with full attendance points (300 total). A student will lose points over the course of the semester if absence reasons do not fall into the following cases:

- A student misses a class due to illness, official university activities, religious observances, and officially approved trips with at least two-weeks prior notice. The student is required to provide written notification and is responsible for any work missed. Absences excused by a doctor's note saying that you are required to refrain from attending class on your absence dates.
- A student communicates with me at least two-weeks in advance when a student needs to miss class.

The grading scale is outlined in the below table.

Number of unexcused absences	Point deduction
0	0
1	0
2	-30
3	-60
4	-90
5	-120
6	-150
7	-180
8	-210
9	Failure from course despite the student's grade*

*A student, absent nine times or more, will miss more than 25% of the class. This student would have a lower level of academic achievement than students who attend class on a regular basis, and thus retaking a class is recommended.

Grade Determination

Requirement	Phase 1	Phase 2	Phase 3	Activity total	% of final grade
Pre-Class Exercises (23 sets, 50 pts each)	350	400	400	1,150	11.5
In-Class Exercises (24 sets, 100 pts each)	800	800	800	2,400	24
Homework (6 sets, 250 pts each)	500	500	500	1,500	15
Exams	1,000	1,000	1,200	3,200	32
Topic	100				
Policy brief Writing		700		1,300	13
Presentation			500		
Check-Ins	50	50	50	150	1.5
Attendance		300		300	3
SUM				10,000	100

Letter grades will be assigned using the scale below. The usual rounding rules apply.

A : 100-93 A- : 92-90 B+ : 89-87 B : 86-83 B- : 82-80

C+ : 79-77 C : 76-73 C- : 72-70 D+ : 69-67 D : 66-60 F : 59-0

Extra Credit

Opportunities to earn extra credit may be announced in class. These are available to everyone especially when we review the ICEs; no extra credit will be awarded to an individual unless the opportunity is available to all in the class.

Course Calendar

The tables below summarize the entire course calendar, including all assignments and their due dates.

June

Week #	Monday lecture	Monday discussion	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	6 Intro Chapt 1 Create a McGraw-Hill account	Chapt 1 Policy brief ICE-1A (12:05PM) PCE-1 (11:59PM)	7 Chapt 1 ICE-1B (11AM) PCE-2A (11:59PM) Check-In-1 (11:59PM)	8 Chapt 2 ICE-2A (11AM) PCE-2B (11:59PM)	9 Chapt 2 ICE-2B (11AM)	10	11 HW-1 (11:59PM)	12 Policy brief topic (11:59PM) PCE-3A (11:59PM)
2	13 Chapt 3 ICE-3A (12:05PM) PCE-3B (11:59PM)	Chapt 3	14 Chapt 3 ICE-3B (11AM) PCE-4A (11:59PM)	15 Chapt 4 ICE-4A (11AM) PCE-4B (11:59PM)	16 Chapt 4 ICE-4B (11AM)	17	18	19 HW-2 (11:59PM)
3	20 No class	No class	21 Review phase 1	22 Midterm 1 PCE-5A (11:59PM)	23 Chapt 5 ICE-5A (11AM)	24	25	26 PCE-5B (11:59PM)
4	27 Chapt 5 ICE-5B (12:05PM) PCE-6A (11:59PM)	Review midterm 1	28 Chapt 6 ICE-6A (11AM) PCE-6B (11:59PM)	29 Chapt 6 ICE-6B (11AM) PCE-7A (11:59PM)	30 Chapt 7 ICE-7A (11AM)	1	2	3 Check-In-2 HW-3 Policy brief writing (11:59PM)

July

Week #	Monday lecture	Monday discussion	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
5	4 No class PCE-7B (11:59PM)	No class	5 Chapt 7 ICE-7B (11AM) PCE-8A (11:59PM)	6 Chapt 8 ICE-8A (11AM) PCE-8B (11:59PM)	7 Chapt 8 ICE-8B (11AM)	8	9	10 HW-4 (11:59PM)
6	11 Review phase 2	Review phase 2	12 Midterm 2 PCE-9A (11:59PM)	13 Chapt 9 ICE-9A (11AM) PCE-9B (11:59PM)	14 Chapt 9 ICE-9B (11AM)	15	16	17 HW-5 (11:59PM) PCE-10A (11:59PM)
7	18 Chapt 10 ICE-10A (12:05PM) PCE-10B (11:59PM)	Policy brief presentation 1	19 Chapt 10 ICE-10B (11AM) PCE-11A (11:59PM)	20 Chapt 11 ICE-11A (11AM) PCE-11B (11:59PM)	21 Chapt 11 ICE-11B (11AM)	22	23	24 HW-6 (11:59PM) PCE-14A (11:59PM)
8	25 Chapt 14 ICE-14A (12:05PM) PCE-14B (11:59PM)	Policy brief presentation 2	26 Chapt 14 ICE-14B (11AM)	27 Review phase 3	28 Final exam	29 Check-In-3 (11:59PM)		

Additional Important Information

Scholastic Dishonesty: Scholastic dishonesty includes plagiarizing, cheating on assignments or examinations, engaging in unauthorized collaboration on academic work, taking/acquiring/using test materials without faculty permission, submitting false or incomplete records of academic achievement, acting alone or in cooperation with another to falsify records or to obtain dishonestly grades/honors/awards/professional endorsement, altering/forging/misusing a University academic record, and fabricating/falsifying data/research procedures/data analysis. If it is determined that a student has cheated, the student may be given an "F" or an "N" for the course, and may face additional sanctions from the University.

Extra Credit Work: A student is not permitted to submit extra work in an attempt to raise his or her grade, unless the instructor has specified at the outset in the syllabus that such opportunities will be afforded to all students.

Makeup Work for Legitimate Absences: Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Click [here](#) for policies on legitimate absences, notification, verification of absences and make-up work.

Incomplete: The instructor will specify the conditions, if any, under which an "Incomplete" will be assigned instead of a grade. The instructor may set dates and conditions for makeup work, if it is to be allowed. Note that an "I" grade will automatically lapse to "F" after one year from the last day of final exams of the term you received the "I."

Disabilities Services: The University of Minnesota is committed to providing all students equal access to learning opportunities. The Disability Resource Center is the campus office that works with students who have disabilities to provide and/or arrange reasonable accommodations. Students registered with Disability Resource Center, who have a letter requesting accommodations, are encouraged to contact the instructor early in the semester. Students who have, or think they may have, a disability (e.g. psychiatric, attentional, learning, vision, hearing, physical, or systemic), are encouraged to visit [Disability Resource Center](#), or call 612-626-1333 (V/TTY) or email drc@umn.edu for information and consultations.

Equity, Diversity, Equal Opportunity, and Affirmative Action: The University provides equal access to and opportunity in its programs and facilities, without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression. For more information, please visit [Office of Equal Opportunity and Affirmative Action](#) or email eoaa@umn.edu.

Sexual Harassment: "Sexual harassment" means unwelcome sexual advances, requests for sexual favors, and/or other verbal or physical conduct of a sexual nature. Such conduct has the purpose or effect of unreasonably interfering with an individual's work or academic performance or creating an intimidating, hostile, or offensive working or academic environment in any University activity or program. Such behavior is not acceptable in the University setting. You are welcome to talk with me about concerns related to sexual misconduct. Alternatively, you can choose to talk with a confidential resource; the University offers victim-advocacy support professionals, health services professionals and counselors that will not share information that they learn about sexual misconduct. For more information, please visit [Title IX Office](#).

Mental Health and Stress Management: As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, and difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. University of Minnesota services are available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health Website [here](#).

Student Conflict Resolution: Inquiries regarding any changes of grade should be directed to the instructor of the course. If you disagree with the instructor's decision, you may wish to contact the Student Conflict Resolution Center, which offers informal and formal conflict resolution services to resolve students' campus-based problems and concerns. For more information, please visit [Office for Conflict Resolution](#).