



**NYU**

**ROBERT F. WAGNER GRADUATE  
SCHOOL OF PUBLIC SERVICE**

# **CORE-GP 1018**

## **Microeconomics**

### **Summer 2021**

#### **Instructor Information**

- **Professor:**
  - Erica Dixon, [ericahdixon@nyu.edu](mailto:ericahdixon@nyu.edu)
- **Teaching Assistant:**
  - Hsi-Ling Liao, [hsiling.liao@nyu.edu](mailto:hsiling.liao@nyu.edu)
- **Tutor:**
  - Katherine Sam, [katherine.sam@nyu.edu](mailto:katherine.sam@nyu.edu)
- **Course Administrator:**
  - Harry Boadu, [hb1024@nyu.edu](mailto:hb1024@nyu.edu)

#### **Lecture Schedule:**

- Tuesdays and Thursdays 5:00pm-6:40pm, **online**, Erica Dixon

#### **Recitation Schedule:**

- Tuesdays and Thursdays 7:00pm-8:00pm, **online**, Hsi-Ling Liao
- Recitations begin on Tuesday 25 May and meet directly after lecture for the duration of the course.

#### **Tutoring Schedule:**

- Mondays and Wednesdays 5:00pm-6:30pm, online, Katherine Sam
- There will be no tutoring on Monday 31 May (Memorial Day) or Monday 5 July (Independence Day, observed)

## Course Description and Objectives

Students completing the course should gain the following knowledge and skills:

1. The ability to articulate tradeoffs in terms of opportunity cost, for individuals and for organizations.
2. An understanding of comparative advantage and the gains from trade.
3. The ability to employ marginal analysis in all types of decision making.
4. An understanding of how economic agents (consumers, organizations, workers, etc.) behave and respond to incentives, and how those decisions collectively affect aggregate outcomes.
5. An understanding of how markets work, and the ability to analyze the impact of economic events on market and organizational outcomes.
6. The ability to recognize the strengths and weaknesses of markets as a way to organize economic activity, and when market failures are likely to arise. An understanding of how public policy can improve market outcomes.
7. The ability to analyze and compare the efficiency and equity implications of alternative policy interventions.

The exams and assignments assess all of the above learning objectives.

## Math Review

If you are at all unsure of your basic math, algebra and graphing skills, you should work through this set of materials before the start of the semester: [Math Review](http://wagner.nyu.edu/students/services/math_review) ([http://wagner.nyu.edu/students/services/math\\_review](http://wagner.nyu.edu/students/services/math_review)).

You will need a clear and intuitive grasp of these math and graphing concepts to successfully complete this course. These concepts will not be reviewed in class.

## Books

1. The required book for the course is McGraw-Hill's **Microeconomics (2nd edition)** by Dean Karlan and Jonathan Morduch. Available from the NYU Book Store and in Course Reserves at Bobst. **Do not purchase the 1<sup>st</sup> or 3rd edition.**
2. Additional readings will be available on the course website.

## Course Site on NYU Brightspace

The site can be accessed from the Academics tab in NYU Home or directly here: [NYU Brightspace](https://brightspace.nyu.edu/d2l/home) (https://brightspace.nyu.edu/d2l/home). If you have not activated your account or have forgotten your password, go to [Start NYU](http://start.nyu.edu) (http://start.nyu.edu). All announcements and course related documents will be posted to the course site. Some class announcements will also be distributed via e-mail. Thus, it is important that you actively use your NYU e-mail account, or have appropriate forwarding set up. **Materials on the course site can be accessed by selecting Content from the row of links at the top of the course homepage, and then using the tabs in the left-hand navigation bar. Materials are organized by class; within each class's tab, the content is sorted into pre-class activities, class handouts, post-class activities, and assignments.**

## Course Requirements

### Readings and Review Question/Problems (pre-class):

Readings should be done prior to the class for which they are listed. The assigned review questions and problems from the textbook should be completed as part of doing the textbook reading. You do not need to hand these in, but we will assume you have done them. The answers to these problems are posted in the pre-class activities section of each class's tab, however, do **not** consult these before trying the problems on your own.

### Pre-recorded lecture content (pre-class):

You should watch the pre-recorded portion of each lecture (about 15 minutes), and use the lecture handout to take notes. The synchronous lecture assumes you have watched the video and attempted any problems/questions it poses; that will be the starting point of class.

### News Analysis and Discussion (pre-class):

For approximately half of the classes, your instructor will assign specific readings for discussion along with a set of discussion questions. You should apply economic reasoning to the issues raised in these readings and **jot down your answers to the associated questions** before coming to class. Your answers to these questions will form the basis of in-class discussion.

### Participation (pre-, during, and post-class):

Participation in class is required. Live attendance at lecture is expected, with video on (reach out to instructor for any issues). Each lecture will also be recorded, and the recording will become available on the class tab.

### Assignments (post-class), 10% of grade:

**The eleven online assignments** should be completed after the lecture covering that material, and are due one hour before the next lecture. Assignments are reviewed in the weekly recitations. Late assignments will not receive any credit. All assignments are completed online via Gradescope. Many assignments ask you to add notation to graphs and tables, and then upload images of your work. JPEG or PDF format is required. You may annotate PDFs directly using a tablet + stylus or print and annotate hard copies and then use your phone to scan or photograph them. A search for "free mobile scanning apps" will yield many suggestions.

These assignments are intended to provide timely feedback on your understanding of key

concepts post-lecture and before exams. They are graded pass (check plus/check/check minus) or fail to promote learning. In Brightspace Grades, your homework score is represented as a number, where 4 = check plus, 3 = check, 2 = check minus, and 1 = incomplete.

### Practice problems (post-class):

The class tabs often include practice problems that you can complete after class for additional practice. Answers are posted, as well as videos with a walk-through on solving the problems. You should complete the practice problem on your own before looking at the answers.

### Additional study materials (post-class):

The recitation handouts (see below) include additional practice problems. Additional videos relating to the lecture topics are available for some classes in the post-class activities section of each class's tab.

### Exams, 90% of grade:

- **40% of grade:** Online midterm exam. No make-ups.
- **50% of grade:** Online, cumulative final exam. No make-ups.
- **If you have a conflict with the scheduled exam dates, you should not take this course.**

## Recitations and Tutoring

### Recitations:

**Recitations will not cover new material.** They review material from the previous class primarily by going over problems. These are posted in the post-class activities section of each class tab. Assignments will be reviewed in recitation and **not** during class. While attendance is not mandatory, you will need to master the content of these recitations to successfully complete the course. The average student will need to attend, and we strongly encourage you to do so at least until the midterm exam.

### Tutoring hours:

We have scheduled tutoring office hours to provide **one-on-one tutoring**. This tutoring is not a substitute for the recitations, but an additional resource for questions best addressed one-on-one.

## Online Lectures and Recitations

To join a live class session, select Zoom from the row of links at the top of the course homepage in NYU Brightspace and then click the link for the scheduled class meeting. Be sure to login 5-10 minutes prior to the start of class to leave time for troubleshooting, or to have time to say hello to your classmates before class begins. Once you are on Zoom, pick your desired screen/participant view, and troubleshoot if audio or video doesn't automatically turn on. Please make sure that your participant name is your full name [First Last]. For more information, see the [NYU Zoom Guide for Students](#).

Students have 24/7 support to NYU's IT services. Explore the [NYU servicelink knowledgebase](#) for troubleshooting and student guides for all NYU-supported tools (like NYU

Brightspace, Zoom, etc). Contact [askIT@nyu.edu](mailto:askIT@nyu.edu) or 1-212-998-3333 for 24/7 technology assistance, or [Zoom's 24/7 technical support](#) and resources.

## Statement of Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to their professor. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with your professor.

For this particular course, there are some specific behaviors required to meet our standards of academic integrity:

### Assignments:

While we strongly encourage all students to work in groups, the final write up of assignments must be done individually with no sharing of written answers.

### Exams:

All exams must be the sole work of the individual student.

Violations of these standards may result in all participating students failing the course and being remanded to the discipline committee for further action.

## Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Remote Accommodations or call or email CSD at (212-998-4980 or [mosescsd@nyu.edu](mailto:mosescsd@nyu.edu)) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

## NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify your professor in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

## Detailed Course Outline

See the course site on NYU Brightspace for details of:

- Reading and review questions/problems (complete before class)
- Pre-class video (complete before class)
- News analysis and discussion questions (complete before class)
- Practice problems and post-class videos (optional, post class)

### Class 1: Introduction to microeconomics and why it matters for public service

An introduction to microeconomics and its core principles; main methods and tools of economics (models, variables, graphs, equations). The production possibility frontier as an illustration of scarcity, choice and opportunity cost; comparative advantage and gains from trade.

Lecture:

25 May

Recitation:

25 May

### Class 2: Demand and supply basics: price determination

Fundamental model of competitive markets, demand and supply curves; market determination of price and market equilibrium.

Lecture:

27 May

Assignment 1 due one hour before class

Recitation:

27 May

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 2

### Class 3: Elasticity, consumer and producer surplus, and price interventions

The shape of demand and supply curves; the importance of elasticity and its measurement. Measuring gains from trade using surplus. Price ceilings and floors.

Lecture:

1 June

Assignment 2 due one hour before class

Recitation:

1 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 3

## Class 4: Policy interventions: taxes and subsidies

What happens when policy interventions interfere with supply or demand? Tax incidence, deadweight loss and efficiency.

Lecture:

3 June

Assignment 3 due one hour before class

Recitation:

3 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 4

## Class 5: Production: framing decisions, costs, profits, competitive markets and supply

Decisions made by organizations that result in the supply of goods and services; implicit costs, opportunity costs and economic profit; production functions, cost functions; short-run versus long-run; profit maximization and output decisions of competitive firms.

Lecture:

8 June

Assignment 4 due one hour before class

Recitation:

8 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 5

## Class 6: Production (continued); International trade and tariffs

Market dynamics in the long run. International trade and tariffs. Review of economic applications.

Lecture:

10 June

Assignment 5 due one hour before class

Recitation:

10 June

## Class 7: Midterm examination (covers weeks 1-6)

Tuesday 15 June, 5:00pm-7:00pm, **online**

Note that class time is extended to two hours for the midterm exam.  
No recitation after midterm exam.

## Class 8: Consumer choice and decision-making

Rational decision-making for price-taking consumers; budget constraints, utility; income and substitution effects. Behavioral economics and choice architecture.

Lecture:

17 June

Recitation:

17 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 8

## Class 9: Labor markets

Labor market demand and supply; marginal productivity; human capital theory; compensating differentials; labor market discrimination.

Lecture:

22 June

Assignment 8 due one hour before class

Recitation:

22 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 9

## Class 10: Imperfect competition

Long run costs and returns to scale. Overview of market structures; monopoly; price discrimination; oligopoly.

Lecture:

24 June

Assignment 9 due one hour before class

Recitation:

24 June



Assignment (complete after class, due by one hour before the start of next class):

- Assignment 10

## Class 11: Game Theory and Strategic Behavior

Decision-making with interdependency, game theory, payoff matrices, decision trees. Auctions.

Lecture:

29 June

Assignment 10 due one hour before class

Recitation:

29 June

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 11

## Class 12: Asymmetric information and incentives

Asymmetric information; moral hazard and adverse selection in insurance markets and the workplace; principal-agent problems and incentives.

Lecture:

1 July

Assignment 11 due one hour before class

Recitation:

1 July

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 12

## Class 13: Externalities

Positive and negative externalities; remedies involving market incentives; role of property rights.

Lecture:

6 July

Assignment 12 due one hour before class

Recitation:

6 July

Assignment (complete after class, due by one hour before the start of next class):

- Assignment 13

## Class 14: Public goods; Review of economic applications

Public goods and common resources. Review of market failures and the role of public policy.  
Review of key lessons from the course.

Lecture:

8 July

Assignment 13 due one hour before class

Recitation:

8 July

## Class 15: Final examination (covers weeks 1-14)

Tuesday 13 July, 5:00pm-7:00pm, **online**

Note that class time is extended to two hours for the final exam.

## Grading Criteria

Grades will be assigned according to the following criteria:

**A Excellent:** Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of exceptional, professional quality.

**A- Very Good:** Very strong work for a graduate student. Work at this level shows signs of creativity, is thorough and well-reasoned, indicates strong understanding of appropriate methodological or analytical approaches, and meets professional standards.

**B+ Good:** Sound work for a graduate student; well-reasoned and thorough, methodologically sound. This is the graduate student grade that indicates the student has fully accomplished the basic objectives of the course.

**B Adequate:** Competent work for a graduate student even though some weaknesses are evident. Demonstrates competency in the key course objectives but shows some indication that understanding of some important issues is less than complete. Methodological or analytical approaches used are adequate but student has not been thorough or has shown other weaknesses or limitations.

**B- Borderline:** Weak work for a graduate student; meets the minimal expectations for a graduate student in the course. Understanding of salient issues is somewhat incomplete. Methodological or analytical work performed in the course is minimally adequate. Overall performance, if consistent in graduate courses, would not suffice to sustain graduate status in “good standing.”

**C/-/+ Deficient:** Inadequate work for a graduate student; does not meet the minimal expectations for a graduate student in the course. Work is inadequately developed or flawed by numerous errors and misunderstanding of important issues. Methodological or analytical work performed is weak and fails to demonstrate knowledge or technical competence expected of graduate students.

**F Fail:** Work fails to meet even minimal expectations for course credit for a graduate student. Performance has been consistently weak in methodology and understanding, with serious limits in many areas. Weaknesses or limits are pervasive.