



Department of Economics, University of Southern California

ECON 203 26001R PRINCIPLES of MICROECONOMICS

UNITS: 4 Fall 2024 Monday/Wednesday 8.30-9.45am at MRF 340

Discussion sessions: section 26014R Friday 10-10.50am KAP 145

section 26016R Friday 11-11.50am KAP 145

section 26024R Tuesday 6-6.50pm GFS 104

section 26026R Thursday 6-6.50pm GFS 107

We will use BRIGHTSPACE for ALL course content, announcement, and communications. We will also use FLATWORLD Homework portal for assignments and practice material. This class is FULLY in PERSON, so no zoom recordings will be available.

INSTRUCTOR: Yilmaz Kocer kocer@usc.edu office: KAP 118. I will be available for all your questions in person and over [Zoom](#) on **Mondays and Wednesdays 10.30-11.30am.** I will announce (on blackboard or via email) many extra office hours as demand arises throughout the semester, particularly before the midterm and the final exam. If you can't make them or if you have a short question, email me to arrange another time to meet over zoom or in person

ASSOCIATE INSTRUCTOR Xin Jiang xjiang33@usc.edu is going to hold the **discussion sessions** for each section and she will separately hold regular weekly office hours on TBD at TBD, where you can ask your questions about class and discussion session contents. The discussion sessions and **Xin's** office hours are the venues where you will put course material and concepts to use through *case studies* or *economic experiments* explained below.

Course BRIGHTSPACE Website: All course materials; instructions, announcements, discussions, feedback, exams, answer keys, your grades ...etc. will be posted on *Brightspace* (hereafter "**bs**"). Familiarize yourself with the syllabus, announcements, grades and the contents tabs. Your grades for homeworks, that is Flatworld problem sets will be on the flatworld website only and will be imported at the end of this course.

REQUIRED TEXT and EDUCATIONAL PLATFORM: We will use **Principles of Microeconomics v10.0** by **John B. Taylor and Akila Weerapana** ISBN:978-1-4533-4133-9 with the attached *Flatworld online Homework platform*. **Please go to <https://practice.flatworldknowledge.com/c/HW-DE7FEF> where you can create a Flatworld account, buy the e-textbook and join the homework portal for the course.** Please make sure you obtain the textbook together with the online homework platform access; not just the textbook (or an e-textbook alone) as a critical chunk of your grades will be accrued through *Flatworld* homework activities. Contact me if you have a problem registering to the course, buying the textbook with homework access, or registering to the course on the homework platform.

For *discussion sessions part of this course*, We will use moblab.com, for economic experiments. *This part is going to be explained in the first class/week.*

Communication: Please use “ECON 203” in the subject line in your course content related emails to me or Xin (unless you have a reason not to, like confidentiality). I will respond to emails most probably within hours (will not exceed 24 hours almost surely) if sent during reasonable hours **8am-11pm**, weekday or weekends. I will be more vigilant on being prompt with my replies closer to exams or homework deadlines to be of immediate help.

COURSE DESCRIPTION: This course provides an entry point to the world of economics, in particular microeconomic theory and applications. This is a course on how the market mechanism operates and allocates scarce resources to participants. We will first study market demand and supply and the ensuing competitive equilibrium. We will develop tools to analyze the welfare consequences of a market outcome. We will “deconstruct” the demand curve and dig into the mathematical model of optimal consumer choice. Then we will analyze some government price control policies and taxes and their effects on welfare. We will analyze how taxes/tariffs and price controls effect participants’ welfare. After briefly focusing on the firms’ side we will study the short run and long run equilibrium in the market with reference to the firms’ cost structures. Next, we will turn our attention to market power; that is, markets that are not perfectly competitive. Here we will study monopoly, monopolistic competition and oligopoly models and compare the price, quantity and welfare implications with that of a perfectly competitively arranged market. We will look into the income distribution different income taxation schemes. Afterwards, we will consider economic interactions involving externalities, public goods or common resources. Finally, we will learn about the basics of financial economics; assets, stocks, bonds for some financial literacy.

PREREQUISITES: No calculus is required for this course. However, as this course qualifies as a quantitative - reasoning GE requirement, mathematical problem solving is a key component. You will need some basic pre-calculus algebra and arithmetic so that you can **1)** Solve one variable (x) linear equations, plot the corresponding line as a graph, calculate its slope, intercepts, etc. **2)** Solve a system of two linear equations in two variables (x,y). **3)** Find the area of a rectangle or a triangle on the cartesian plane. We will review some material for math review in the first few weeks of the semester.

LEARNING OBJECTIVES:

At the successful completion of this course, students will be able to:

- Solve for the market equilibrium for a given demand and supply.
- Calculate the effects of a given elasticity for a given price change on the quantity and on the total revenue.
- Evaluate and compare the effects on prices, quantities and welfare of price controls, tariffs or tax policies.
- Evaluate the impact of externalities on market outcomes.
- Assess and quantify the impacts of firms’ technologies on the short run and long run equilibrium prices.
- Identify the effects of market power, product differentiation, advertising on economic variables in a market.
- Critically evaluate the assumptions behind the theory of optimal consumer choice.

- Understand how economic models can enlighten discussions about political economy.
- Calculate the (implicit) rate of return of a bond or any other financial asset given relevant information.

TOPICS AND TENTATIVE OUTLINE

Week	Dates	Topic	Textbook Chapters
1	Jan 13, 15	Introduction, Microeconomics Overview, the Central idea	C1, Ch.2
2	Jan 22	Observing and Explaining the Economy, Supply and Demand	Ch.2, Ch.3
3	Jan 27, 29	Supply and Demand, Elasticity	Ch.3, Ch.4
4	Feb 3, 5	Consumer's Choice Problem	Ch.5, Ch
5	Feb 10, 12	Firm's Behavior and Supply, Welfare consequences	Ch.5, Ch.6
6	Feb 19	Market Efficiency, Deadweight Loss	Ch.7
7	Feb 24, 26	Taxation, Price Controls, Firm's Cost curves	Ch.7, Ch.8
8	Mar 3, 5	Review, Midterm Exam	Ch.8
9	Mar 10, 12	Short run and long run decisions	Ch.9
10	Mar 24, 26	Market Power: Monopoly	Ch.9, Ch.10
11	Mar 31, Apr 2	Monopoly, Monopolistic Competition and Oligopoly	Ch.10, Ch.11
12	Apr 7, 9	Market Power: Monopolistic Competition and Oligopoly, Anti-Trust Policy and Regulation	Ch.11, Ch.12
13	Apr 14, 16	Taxes and Transfers, Income Inequality	Ch.14
14	Apr 21, 23	Externalities, Public Goods, Free Riding, Public Choice	Ch.15
15	Apr 28, 30	Financial Decision Making	Ch 16

GRADING CRITERIA:

Grading component	%weight
Midterm Exam March 5th	25%
FLATWORLD homework assignments (14 in total, worst 2 dropped)	25%
DISCUSSION SESSSIONS - Case Studies and EXPERIMENTS 13-14 (once a week) in-discussion session grades total, worst 2 dropped	15%
FINAL EXAM May 12th Monday 11am-1pm IN CLASS	35%
OPTIONAL EXTRA CREDIT opportunity: successful JEP involvement	+3% increase in your <i>weighted cumulative grade.</i>

Class Participation

Even though it is not directly part of your grade, your attendance and active presence in class is essential. Stay engaged, ask questions if anything is unclear, suggest answers to questions I pose, read the textbook and practice with as many problems (on *Flatworld portal*) as you can.

Discussion session participation for economic experiments and analysis of case studies is essential for 15% of your final letter grade (no homework for later; all grading is related to in-discussion session work/experiment).

Contents, logistics, grading and other details is going to be explained in the first week of class...

FLATWORLD Homework assignments The homework platform and self quizzes offer abundant resources for test preparation and general mastery of the course contents.

I will assign (on the Flatworld homework portal) a total of around 14 homeworks -one for each chapter, and roughly once a week-, to be counted towards your grade. They are mostly multiple choice or true/false questions which must be completed online on the Flatworld platform by specific deadlines. Check Flatworld course homework portal regularly after each class to see if there is any assigned homework for that week and note the deadline date/time.

The Midterm Exam and the Final Exam

The dates are already set as above and they will be in delivered in person in class. No books/notes/cell phones are allowed but calculators are okay, even though I don't think you'll need it. The final exam is cumulative ; it covers all material studied throughout the semester; however it will predominantly (around %80) test the second half of the course (material after the midterm exam), to give equal grading coverage to all topics. The final exam is around 40-50% longer than the midterm exam both in size and in time duration.

The exams will include 1) A multiple choice or true/false questions part (around 60-70 points total) and 2) 1-3 Short problems, around 30-40 points total) testing your reasoning-quantitative-technical skills relevant to the course content that might require very basic algebra/math, or some interpretation of what we have learned in class. I will post practice tests before the midterm and either I or Xin will go over them in the review class.

Regrade Requests: If you feel your work was graded incorrectly, please submit your work and a brief written explanation of your argument in an email and come see me in my office hours within two weeks after the midterm. We will regrade your entire exam, which means that your score may go down.

Letter-grade calculation:

Your **letter grade** depends on your *cumulative weighted average grade x* according to the following table:

x	≥ 90	≥ 85	≥ 80	≥ 75	≥ 70	≥ 65	≥ 60	≥ 55	≥ 50	≥ 45	≥ 40	< 40
grade	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F

For example, if your $x = 73.95$ you end up (at minimum) with a **B- grade**. I will also consider your weighted average's relative ranking within the class, only to improve your grades beyond the minimum guarantees described in this table. Here;

$x = 0.25 \times \text{Midterm exam grade} + 0.35 \times \text{Final exam grade} + 0.40 \times (\text{average homework grade after your worst 2 are dropped})$ where all grades are over 100pts.

Also, if you have successfully completed the *optional JEP program*, the "x" cumulative weighted average above will be **increased by 3 points**.

IMPORTANT REMINDERS

- 1) Your cumulative weighted average will not be rounded up.
- 2) All exams will be delivered in class, no exam taking over zoom under any condition and the final exam cannot be taken at any other time/day than the registrar declared time/day.
- 3) Students with OSAS accommodations should reach out to me as soon as they get the paperwork, as I cannot accommodate them without the paperwork. They should also arrange to take the exams in the OSAS office.
- 4) There will be no opportunities for extra credit in this course, other than a successful completion of the [JEP](#) (Joint Educational Project) program, that will be advertised in the initial weeks of the semester.
- 5) You have two weeks after the announcement of grades for the midterm exam or homework to voice your concerns about any incorrect grading or missing grades or to come to my office hours. I will regrade the entire answer, which means that your score may go down. After that two weeks window, the grades for the exam/homework are fixed and cannot be modified.

All questions about *discussion session* contents, requirements, grading should be directed to **Xin**.

- 6) I will assume you have a commitment to academic integrity as per [the student handbook](#) or the [Office of Academic Integrity's website](#).
- 7) Please refrain from cell phone or laptop use during lectures, unless you are using your tablet/laptop solely for note taking purposes, which you should let me know at the beginning of the course.

MISSING an EXAM or a HOMEWORK:

You will get a 0 score for a homework, discussion session participation, midterm exam or the final exam if you miss it, except in the case of USC registrar's definition of an emergency (See [USC Grading and Correction of Grades Handbook](#)) which includes documented medical and family emergencies characterized by severe and unforeseen hardship. According to USC guidelines, "no student is permitted to omit the [final examination]." Per the guidelines, in case of "a documented illness or other [event that meets the registrar's definition of emergency] occurring after the withdrawal deadline for the course," an incomplete grade (IN) will be assigned. Thus, if you miss the final exam for a reason that meets the USC registrar's definition of emergency, you will be assigned an incomplete grade IN for the course.

There is no makeup exam for the midterm exam! *If you miss it for any unjustified reason you will get a score of 0 !! If for a justified reason (bring me the doctor's note in this case) you are going to miss the midterm exam let me know ASAP, BEFORE the midterm; and I will distribute its weight to the final exam. I expect you provide me documentation of proof for your excuse.* If you miss the midterm exam for a valid reason as described above, its weight will be pushed towards the final exam.

Having another midterm or final exam on the same day is not an excuse for not taking it. *If you ever have a conflict with an exam date, or if you are (for a legitimate reason) unable to take a midterm, see me as soon as you are aware of it* (it has to be at least two weeks in advance!) *so that we can make arrangements.*

There is no makeup exam for midterms, the final exam or the homeworks!

Missing a problem set (or a discussion session) is less problematic, for both you having many days to complete it and also “dropping your worst 2 homeworks” and “dropping your worst 2 discussion session grades” from your grade is expressly designed to buffer against unforeseen hardships and illnesses and family emergencies. If you miss more than 2 problem sets (or discussion sessions), I will ask you to document your excuse for all missed works/sessions to show they meet the registrar's emergency criterion; otherwise you will get 0 credits for all missed work. **Please do not email me about your emergencies/sickness about missing problem sets/discussion sessions, unless it is the 3rd one missing; in which case send me all documents proving the emergency separately in all 3 missing problem sets.**

Still, I urge you to complete and submit each one of them, to start working on them as early as they are posted, submit them by the deadline to get any credit and please do not email me for an extension.

How to do well in this course: Listen to the lectures carefully and read the relevant sections from your book beforehand. Practice with Flatworld resources and homeworks AS MUCH AS YOU CAN. Make sure to understand the reason behind every equation/formula/graph in the textbook and in the problems. As a general rule, the GRAPHS in your textbook summarizes the most important ideas; so make sure you understand what is going on in the graphs in the textbook. Work with your friends on the difficult problems. Learn from each other. Seek help from me and Xin; we are here to help you.

Support Systems:

Counseling and Mental Health — (213) 740-9355 — 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

988 Suicide and Crisis Lifeline — 988 for both calls and text messages — 24/7 on call the 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. You can also call (800) 273-8255

Relationship and Sexual Violence Prevention Services (RSVP) — (213) 740-9355(WELL)— 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) — (213) 740-5086 Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment — (213) 740-5086 or (213) 821-8298

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) — (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention — (213) 740-0411 Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity, Equity and Inclusion — (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency — UPC: (213) 740-4321, HSC: (323) 442-1000 — 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety — UPC: (213) 740-6000, HSC: (323) 442-1200 — 24/7 on call

Non-emergency assistance or information.

Office of the Ombuds — (213) 821-9556 (UPC) / (323) 442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

Occupational Therapy Faculty Practice — (323) 442-2850 or otfp@med.usc.edu

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.