

Course Information for *Elements of Economics II*

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University of Chicago

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This course is the second quarter of intermediate microeconomics and will cover supply, perfect competition, externalities, monopoly, imperfect competition and public goods, as well as a number of application of these ideas to policy design. In addition to providing you with the tools you'll need in more advanced courses, this course aims to give a sense of what it is to be a micro-economist: the sorts of questions with which we concern ourselves, the approaches we use to address these question and the social role the answers we give play. In particular, in class, in problem sets and on exams, you will use economic reasoning to design institutions for eminent domain, determine the optimal level and structure of income taxes, prescribe conditions under which mergers between competitors should be allowed or prohibited, derive statistical quantities that (when measured) would calibrate the optimal level of patent protection and subsidies for research and development, among many others.

To make this possible, this course will be both more challenging than and challenging in different ways from the economics courses you have taken in the past. In particular, it will require you to integrate and move seamlessly between a wide range of skills, from mathematics through historical analysis to writing. *For my own information* about how well students are following the class, as well as to make sure folks are engaged and doing the readings, ***I will cold-call during lecture.*** So come to class prepared.

Problem sets and exams ***will not be designed so that most students will be able to complete most of the assignments***; rather they will stretch your creativity by pushing the limits of what you currently have the ability to analyze. Thus ***do not panic if you cannot complete the problem set in a reasonable length of time*** (say 4-8 hours). Just turn it in incomplete. Feel free to work with other students on the problem set, but ***you must list anyone who you collaborated with on your assignment.***

*You should feel free to call me anything you feel comfortable with: Professor Weyl, Glen, Broccolini (a nickname of mine) or any other nicknames you come up with. In this class we respect ideas, not positions of authority, and I hope you will aspire to be my colleague rather than my student. If you think I am wrong about something, call me out on it. If you don't understand something, ask. In this class we will explore economics together as a team. Just as I plan to challenge you, I hope you will challenge me.

Also, don't worry: everything will be graded on a curve so you will not be punished for taking an ambitious class. However, this class will reward exceptional effort and engagement with economics and is likely to be particularly valuable to students interested in using economics actively in their later studies or career. The lectures are given at two different levels, Turbo and regular. The differences between these will be subtle, so if you have to miss one lecture feel free to attend the other, letting me know so I don't cold-call you in the wrong lecture. However, the Turbo lecture will generally move faster, use abstract and general mathematics more freely and transition more quickly between mathematics and intuitive or humanistic reasoning. ***Both lectures meet Tuesdays and Thursdays; the Turbo lecture meets from 9-10:20 and the regular lecture 10:30-11:50***, both promptly. Lectures meet in Stuart 104. Discussion sections meet Monday from 4-4:50pm, simultaneously; the Turbo section is in Stuart 104, Regular in Stuart 102.

Be aware that there is another section of this course, on Mondays and Wednesday at 9am taught by another Professor, Sebastian Gay. This is a Turbo section, and thus will be challenging, but will also be more traditional, more mathematically inclined and will cover more game theory. If at all possible, you should shop all three sections before deciding which one is right for you.

Given the nature of the course, ***I strongly encourage you to come to office hours***, with myself or the section leaders, for help with the material or just to explore your ideas about economics and thereby get the most out of the course. I will hold office every Wednesday from 4-6pm in my office, 205B Rosenwald. Stefano Mosso, section leader for Turbo will hold his office hours every Wednesday from 2-3pm in his office, Harris School 234; Philipp Tillman, section leader for Regular, will hold office hours from 11:50am-1pm on Thursdays, right after lecture, in the Stuart Cafeteria. If you cannot make office hours, or need additional time, let me or the relevant section leader know and we/you can find a time to meet.

40% of the course grade will be based on problem sets, 30% will be based on the final exam, 20% will be based on the midterm exam and 10% will be based on participation in section and lecture. The midterm will be ***in the evening of Tuesday November 1 (4:30-6pm in SS122)*** and the date and time of the final exam will be determined, as usual, by the powers that be. ***YOU MUST BE AT THE MIDTERM OR TELL US IMMEDIATELY YOU CANNOT BE. We are warning you now and thus will not accept any excuses later in the term.*** Both exams will be open book, open note: memorization is not an emphasis of this class; understanding and ability to apply concepts to real world problems are. You may use the internet, Mathematica, etc, but may not send text messages, email or any other of two-way communication. Please bring a calculator or a computer so you can use Mathematica for calculations.

A schedule of lectures and associated readings accompanies this information, as does a list of enrichment readings. The required textbook for the course is Hal Varian's *Intermediate Microeconomics*, 8th edition, though many lectures will use readings from elsewhere, especially Gary S. Becker's *Economic Theory* (which you may consider purchasing, but only if you wish). Some lec-

tures will also have written lecture notes accompanying them by me, which will act as your primary study guides. This will inevitably contain many typos and occasionally errors, so please point these out. Problem sets will be handed out at least one week before they are due and must be handed in at the beginning of lecture. Review sessions for the midterm and final will be held by section leaders.

You can reach me in person at my office, Rosenwald 205B, by phone at my office at 702-4862 and by email at weyl@uchicago.edu. The section leader for the Turbo lecture is Stefano Mosso who can be reached at (773) 574-8886 or stefano.mosso@gmail.com. The section leader for the regular lecture is Philipp Tillman who can be reached at (773) 870-6157.

Further information about the course, all relevant documents, etc. will be available on the course website,

https://chalk.uchicago.edu/webapps/portal/frameset.jsp?tab_tab_group_id=.2.1&url=%2Fwebapps%2Fblackboard%2Fexecute%2Flauncher%3Ftype%3DCourse%26id%3D_2977_1%26url%3D

, and on my personal website at <http://www.glenweyl.com/teaching.htm>.