

Economics 101: Principles of Microeconomics
University of Wisconsin, Madison
Spring 2025

Professor Alan Sorensen

In-person office hour: Fri 9:30-10:30am, Social Sciences Building 6454

Virtual office hour: Mon 8:30-9:30am, uwmadison.zoom.us/my/alan.sorensen.virtual.office

Office hours by appointment (Friday mornings): See link in Canvas

Course website: canvas.wisc.edu/courses/433578

Course overview

This course is an introduction to the fundamental concepts and analytical tools of microeconomics. The course will cover essential topics such as demand and supply, taxes and tax incidence; monopoly pricing; price discrimination; and externalities and public goods. The course will be taught with two main objectives: (1) to teach foundational concepts to prepare economics majors for subsequent courses in microeconomics; and (2) to show how basic economic principles, combined with data analysis, can be applied to real-world problems of current policy relevance.

The only prerequisite for the course is completion of the Quantitative Reasoning A requirement. Students should be comfortable with basic mathematical reasoning, including graphs and elementary algebra.

Lectures

Lectures will be held Tuesdays and Thursdays from 9:30 - 10:45am in Soc Sci 6210, and the expectation is that you will attend every lecture. Class sessions often include polls, quizzes, and interactive experiments, and a small part of your course grade will be based on your participation.

To get the most out of the lectures, you should read the assigned chapters from the textbook in advance. The course will proceed at a relatively fast pace, so it will be important to keep up with the readings.

Textbook

The textbook for the course is *Microeconomics*, by Krugman & Wells. I strongly recommend purchasing a copy—print or electronic—because you will learn the material a lot better if you read the textbook in parallel with the lectures, and because it will be a useful reference for studying. If you want to save money, you do not need to purchase the latest edition: just get any copy (physical or electronic) of edition 2 or higher at the best price you can find.

Discussion sections

Attendance at discussion sections is highly recommended. The teaching assistants will review concepts and work problems to reinforce the ideas introduced in that week's lectures. These sections, along

with the teaching assistants' office hours, will be your best opportunity to ask questions and get help with assignments.

Grading

Your final grade in the course will be based on exam performance, homework, quizzes, and class participation, with the following weights:

Midterm #1	20%
Midterm #2	20%
Final Exam	25%
Homework	15%
Online quizzes	10%
Class participation	10%

Final letter grades will be distributed roughly as follows:

Top 20%	A
Next 20%	AB
Next 20%	B
Next 20%	BC
Next 15%	C
Bottom 5%	D/F

Exams

Exams will be held in person on the following dates:

Midterm #1	Tuesday, Feb 25	9:30am - 10:45am
Midterm #2	Tuesday, Apr 8	9:30am - 10:45am
Final Exam	Tuesday, May 6	10:05am - 12:05pm

Exam policies:

- **There are no makeup exams.** If you miss an exam with a valid excuse (see below), the weights of your other exams will be increased to take its place. If you miss an exam without a valid excuse, your score for that exam will be zero.
- Aside from extreme illness, few excuses will be considered valid for missing an exam. For example, travel plans are not valid excuses. If you think you do have a valid reason to miss an exam, you must notify both your TA *and* Professor Sorensen **before** the exam.

Homework

Approximately seven homework assignments will be given during the course. You may work on these assignments in groups—helping each other understand the material is a great way to learn—but each student must submit his or her own set of written answers. The assignments will be graded on a simple three-point scale (0, 1, or 2 points).

Online Quizzes

Every Monday there will be a short online quiz for you to take. The quizzes will be posted on the course website, and they should take no more than 20 minutes to complete. They are intended as an incentive for you to keep up with the course material and as a way for you to gauge how well you are understanding the concepts.

Class participation

For each lecture, you will get class participation points for submitting responses to in-class polls and quizzes. You will always get credit for answering a question, and in cases where the question has a correct answer you will get additional credit for giving the correct response. When calculating the participation component of your overall grade, the lowest five participation scores (including zeros) will be dropped.

Academic integrity

I abhor cheating. It is disrespectful and unfair to your peers, and it undermines the integrity of the institution. If you have evidence that your classmates are engaged in academic misconduct, I expect you to notify me or one of the TAs or our department administrator. If I catch anyone cheating, I will impose the harshest penalty allowed by university guidelines. See the official statement below on academic misconduct.

Additional resources

We will be covering a lot of material in this course, and it will be important to keep up with the reading assignments. If you find that you are struggling to understand the lectures or homework problems, you should make use of the resources available to you for help. You can come to my office hours or meet with the TAs during their office hours to ask questions or work through practice problems. You can get help from your classmates too. This does not mean you should ask classmates to tell you the correct answers on a homework assignment. But it is OK to work together if doing so means helping each other understand and learn.

Rough outline of topics and textbook readings

Topic	Reading Assignment
Introduction; Basic principles	K&W Chapter 1
Gains from trade	K&W Chapters 2, 8
Demand & Supply	K&W Chapter 3
Consumer and producer surplus	K&W Chapter 4
Elasticity	K&W Chapter 6
Price controls and quotas	K&W Chapter 5
Taxes	K&W Chapter 7
Fundamentals of decision-making	K&W Chapters 9-10
Production functions	K&W Chapter 11
Perfect competition	K&W Chapter 12
Monopoly	K&W Chapter 13
Price discrimination	K&W Chapter 13
Oligopoly	K&W Chapter 14
Oligopoly	K&W Chapter 14, 15
Externalities	K&W Chapter 16
Public goods	K&W Chapter 17
Factor markets	K&W Chapter 19
Poverty & income inequality	K&W Chapter 18
Uncertainty and Risk	K&W Chapter 20
Economics of health & health care	(TBA)

Academic misconduct: details

As noted above, I take academic misconduct very seriously. Examples of academic misconduct include, but are not limited to: cheating on an examination (copying from another student's paper, referring to materials on the exam other than those explicitly permitted, continuing to work on an exam after the time has expired, turning in an exam for regrading after making changes to the exam), copying the homework of someone else, submitting for credit work done by someone else, stealing examinations or course materials, tampering with the grade records or with another student's work, or knowingly and intentionally assisting another student in any of the above. Students are reminded that online sources, including anonymous or unattributed ones like Wikipedia, still need to be cited like any other source; and copying from any source without attribution is considered plagiarism.

The Department of Economics deals with academic misconduct harshly, following UWS14 procedures:

1. The penalty for misconduct in most cases will be removal from the course and a failing grade.
2. The department will inform the Dean of Students as required and additional sanctions may be applied.
3. The department will keep an internal record of misconduct incidents. This information will be made available to teaching faculty writing recommendation letters and to admission offices of the School of Business and School of Engineering.

If you think you see incidents of misconduct, you should tell your instructor about them, in which case they will take appropriate action and protect your identity. You could also choose to contact our administrator, Tammy Herbst-Koel (therbst@wisc.edu) and your identity will be kept confidential. For more information, refer to <https://conduct.students.wisc.edu/academic-integrity>.

Grievance procedure

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate. If you wish to file a grievance, you should go to room 7238 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints. Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary for providing a written response.

Additional info, included to satisfy bureaucratic requirements

Credits: 4

This course has two 75-minute lectures and one 50-minute discussion section each week. Students are expected to work approximately 8 hours per week outside class to complete assignments and learn the relevant material.

Course learning outcomes: Following the completion of this course, students will be able to

- Explain basic economic concepts such as scarcity, opportunity cost, supply and demand, and market failure
- Recognize how households and firms respond to incentives and make economic decisions
- Identify and apply mathematical models to answer economic questions (QRB-1)
- Express relationships among economic variables verbally, graphically, and numerically (QRB-3)
- Read current news articles and recognize and critique economic arguments
- Apply marginal analysis and cost-benefit analysis in a variety of settings