

1. General Information

1a. Submitted by the College of: BUSINESS AND ECONOMICS

Date Submitted: 11/30/2016

1b. Department/Division: Economics - RCTF

1c. Contact Person

Name: Gail Hoyt

Email: ghoyt@uky.edu

Phone: 257-2517

Responsible Faculty ID (if different from Contact)

Name:

Email:

Phone:

1d. Requested Effective Date: Semester following approval

1e. Should this course be a UK Core Course? No

2. Designation and Description of Proposed Course

2a. Will this course also be offered through Distance Learning?: No

2b. Prefix and Number: ECO 301

2c. Full Title: Economic Price Theory

2d. Transcript Title: Economic Price Theory

2e. Cross-listing:

2f. Meeting Patterns

LECTURE: 3 per week

2g. Grading System: Letter (A, B, C, etc.)

2h. Number of credit hours: 3

2i. Is this course repeatable for additional credit? No

If Yes: Maximum number of credit hours:

If Yes: Will this course allow multiple registrations during the same semester?

2j. Course Description for Bulletin: ECO301 is an undergraduate course in microeconomic theory designed for students who enjoy economics but are NOT planning on selecting a major in economics. We will study the behavior of individual decision makers: households, firms, resource owners and the interaction of such individual economic units in markets. We will study the role that prices play in guiding the allocation of resources in a market economy. To reinforce students' understanding of microeconomic theory, and also to demonstrate the relevance of particular theoretical concepts, we will include numerous real world situations as we apply each topic. Students who have already taken ECO401 are not allowed to take ECO301.

2k. Prerequisites, if any: ECO201 and ECO202 or the equivalent

2l. Supplementary Teaching Component:

3. Will this course taught off campus? No

If YES, enter the off campus address:

4. Frequency of Course Offering: Spring,

Will the course be offered every year?: Yes

If No, explain:

5. Are facilities and personnel necessary for the proposed new course available?: Yes

If No, explain:

6. What enrollment (per section per semester) may reasonably be expected?: 50

7. Anticipated Student Demand

Will this course serve students primarily within the degree program?: No

Will it be of interest to a significant number of students outside the degree pgm?: Yes

If Yes, explain: This course is useful for business majors in marketing, management, accounting, and finance as well as students majoring in political science, international studies, merchandising, and arts administration.

8. Check the category most applicable to this course: Traditional – Offered in Corresponding Departments at Universities Elsewhere,

If No, explain:

9. Course Relationship to Program(s).

a. Is this course part of a proposed new program?: No

If YES, name the proposed new program:

b. Will this course be a new requirement for ANY program?: No

If YES, list affected programs:

10. Information to be Placed on Syllabus.

a. Is the course 400G or 500?: No

b. The syllabus, including course description, student learning outcomes, and grading policies (and 400G-/500-level grading differentiation if applicable, from **10.a** above) are attached: **Yes**

Distance Learning Form

Instructor Name:

Instructor Email:

Internet/Web-based: **No**

Interactive Video: **No**

Hybrid: **No**

1. How does this course provide for timely and appropriate interaction between students and faculty and among students? Does the course syllabus conform to University Senate Syllabus Guidelines, specifically the Distance Learning Considerations?

2. How do you ensure that the experience for a DL student is comparable to that of a classroom-based student's experience? Aspects to explore: textbooks, course goals, assessment of student learning outcomes, etc.

3. How is the integrity of student work ensured? Please speak to aspects such as password-protected course portals, proctors for exams at interactive video sites; academic offense policy; etc.

4. Will offering this course via DL result in at least 25% or at least 50% (based on total credit hours required for completion) of a degree program being offered via any form of DL, as defined above?

If yes, which percentage, and which program(s)?

5. How are students taking the course via DL assured of equivalent access to student services, similar to that of a student taking the class in a traditional classroom setting?

6. How do course requirements ensure that students make appropriate use of learning resources?

7. Please explain specifically how access is provided to laboratories, facilities, and equipment appropriate to the course or program.

8. How are students informed of procedures for resolving technical complaints? Does the syllabus list the entities available to offer technical help with the delivery and/or receipt of the course, such as the Information Technology Customer Service Center (<http://www.uky.edu/UKIT/>)?

9. Will the course be delivered via services available through the Distance Learning Program (DLP) and the Academic Technology Group (ATL)? **NO**

If no, explain how student enrolled in DL courses are able to use the technology employed, as well as how students will be provided with assistance in using said technology.

10. Does the syllabus contain all the required components? **NO**

11. I, the instructor of record, have read and understood all of the university-level statements regarding DL.

Instructor Name:

Department of Economics 2016 Overview of Proposed Curriculum Changes

1. We propose that the department renumber 400 level courses to the 300 level as they do not have ECO401 or ECO402 as a prerequisite.

- ECO 311 Business Economics (formerly ECO 411)
- ECO 312 Monetary Economics (formerly ECO 412) Finance majors no longer required to take.
- ECO 365 Social Economic Organization (formerly ECO 465G Comparative Economic Systems)
- ECO 367 American Economic History (formerly ECO 467)

2. We propose to modify the description of ECO370 so that majors in A&S Economics, Business Economics, and Mathematical Economics are allowed to take the course, but FLIE majors may not.

3. We propose that the prerequisites for ECO391 be modified to include STA296 OR STA381 or the equivalent.

4. We propose that the department create new 300 level courses to service non-majors, minors, and majors.

- ECO 301 Economic Price Theory: (non-majors only)
- ECO 381 Environmental Economics
- ECO 385 Health Economics
- ECO 387 Law and Economics
- ECO 393 Sports Economics

NEW FULL SELECTION OF COURSES BY LEVEL

NEW COURSES:

ECO 301 ECONOMIC PRICE THEORY
ECO 381 ENVIRONMENTAL ECONOMICS
ECO 385 HEALTH ECONOMICS
ECO 387 LAW AND ECONOMICS
ECO 393 THE ECONOMICS OF SPORTS

RENUMBERED COURSES (400 TO 300 LEVEL)

ECO 311 BUSINESS ECONOMICS
ECO 312 MONETARY ECONOMICS
ECO 365 SOCIAL ECONOMIC ORGANIZATION
ECO 367 AMERICAN ECONOMIC HISTORY

OTHER MINOR REVISIONS

ECO 370 THE GLOBAL ECONOMY
ECO 391 ECONOMIC AND BUSINESS STATISTICS

OTHER EXISTING COURSES IN ECONOMICS – WITH NO MODIFICATIONS

ECO 327 STRATEGIC DECISION MAKING: AN INTRODUCTION TO GAME THEORY
ECO 379 THE ECONOMICS OF PUBLIC POLICY, LAW, AND GOVERNMENT
ECO 395 INDIVIDUAL WORK IN ECONOMICS
ECO 401 INTERMEDIATE MICROECONOMIC THEORY
ECO 402 INTERMEDIATE MACROECONOMIC THEORY
ECO 410 CURRENT ISSUES IN ECONOMICS (Subtitle required)
ECO 450G THE ECONOMICS OF POVERTY AND WELFARE PROGRAMS
ECO 461 MARKET STRUCTURE AND ANTI-TRUST POLICY
ECO 471 INTERNATIONAL TRADE
ECO 472 INTERNATIONAL MONETARY ECONOMICS
ECO 473G ECONOMIC DEVELOPMENT
ECO 477 LABOR ECONOMICS
ECO 479 PUBLIC ECONOMICS

**ECO 491G APPLIED ECONOMETRICS
ECO 499 SEMINAR IN ECONOMICS**

5. We propose the following changes to the upper level economics course requirement for each type of major:

Minor Requirements (This would remain unchanged.)

- ECO201
- ECO202
- ECO401 OR ECO402
- 9 hours ECO 300 level or higher

All types of ECO Majors Require: (This would remain unchanged.)

- ECO201
- ECO202
- ECO391
- ECO401
- ECO402

Type of Major	Current	Proposed
Mathematical Economics	300+ level ECO courses 9 hours	ECO491 6 hours of ECO elective courses at the 300 level or higher with at least 3 hours at the 400 level
Foreign Language and International Economics NO CHANGE	ECO300+ Any 300+ level ECO course 3 hours Two of the following ECO471 ECO472 ECO473G	ECO300+ Any 300+ level ECO course 3 hours Two of the following ECO471 ECO472 ECO473G
B&E Economics	ECO499 12 hours ECO Electives (we don't specify level in bulletin) One upper level B&E elective (24 hours in the major)	ECO499 ECO Electives 12 hours – at least 6 hours must be at the 400 level DROP the One upper level B&E elective (21 hours in the major)
A&S Economics	ECO499 9-15 hours "300 level or higher" ECO	ECO499 9-15 hours of ECO electives at the 300 level or higher with at least 6 hours at the 400 level

ECO 301
Economic Price Theory
Semester Year
Date and Time
Building and Room Number

Instructor: Frank Scott

Office: 245 Gatton College of Business and Economics

Hours: 10:00-11:00 a.m. Tuesday-Thursday. Appointments can be made for other times.

Phone: 257- 7643

e-mail: frank.scott@uky.edu

Preferred way to reach instructor: Stopping in during office hours is preferable if you have specific questions and content and homework sets. Contacting me by email is fine if you need to let me know you will be absent or have general logistical questions.

COURSE DESCRIPTION

ECO301 is an undergraduate course in microeconomic theory designed for students who enjoy economics but are NOT planning on selecting a major in economics. We will study the behavior of individual decision makers: households, firms, resource owners and the interaction of such individual economic units in markets. We will study the role that prices play in guiding the allocation of resources in a market economy. To reinforce students' understanding of microeconomic theory, and also to demonstrate the relevance of particular theoretical concepts, we will include numerous real world situations as we apply each topic. Students who have already taken ECO401 are not allowed to take ECO301.

PREREQUISITES

ECO 201 and ECO202 or the equivalent.

COURSE OBJECTIVE

The goal of the course is to build upon principles developed in ECO 201 and provide students with a more sophisticated understanding of how market systems operate.

STUDENT LEARNING OUTCOMES

After completing this course, students will be able to:

1. Demonstrate on homework and exams an ability to apply fundamentals of microeconomic theory to understanding consumption decisions of households.
2. Demonstrate on homework and exams an ability to apply fundamentals of microeconomic theory to understanding supply decisions of businesses.
3. Demonstrate on homework and exams an understanding of the role that prices play in guiding the allocation of resources in a market economy.

GRADING

Your grade in the course will be determined by your performance on 8 problem sets, two hourly exams, and a comprehensive final exam. The 8 problem sets will count as 20%, the two hourly exams will count 25% each, and the final exam will count 30%. The final exam will be administered according to the University final exam schedule.

Grades will be calculated on a standard 100-point scale

90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
59 – below	E

MIDTERM GRADES

Mid-term grades will be posted in myUK by the deadline established in the Academic Calendar. (<http://www.uky.edu/Registrar/AcademicCalendar.htm>)

HOMEWORK

The best way to learn the material in this course is to work problems, so there will be regular problem set assignments during the semester. In total these will count 10% of your final grade in the course. If you do the math, you will see that the direct effect of homework performance on your grade is only marginal. My real intent in having you labor over problem sets is to help you to develop your analytical thinking abilities and to learn the material. Hence the primary payoff to conscientious performance of the homework will come on tests.

TEXT

We will use Edgar Browning and Mark Zupan's Microeconomics: Theory and Applications (11th edition). The assigned readings will parallel and supplement the material we cover in class. There is also an extensive set of additional resources which I hope will enrich your understanding of course material. I will suggest questions and problems from the end of each chapter in the text to help you prepare for exams.

WEB SITE

The course web site is located at: <http://gatton.uky.edu/Faculty/scott/index.html>
I will post course materials on the website, including syllabus, problem set assignments, answer keys to problem sets and tests (after you have turned them in, of course), and study questions for exams.

ATTENDANCE POLICY

While attendance is not mandatory and I will not take roll every day, regular attendance is essential for understanding content and is therefore highly encouraged. You are still responsible for material covered and assignments made on days that you miss.

EXCUSED ABSENCES

Students need to notify the professor of absences prior to class when possible. *Senate Rules 5.2.4.2* defines the following as acceptable reasons for excused absences: (a) serious illness, (b) illness or death of family member, (c) University-related trips, (d) major religious holidays, and (e) other circumstances found to fit “reasonable cause for nonattendance” by the professor.

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays no later than the last day in the semester to add a class. Two weeks prior to the absence is reasonable, but should not be given any later. Information regarding major religious holidays may be obtained through the Ombud (859-257-3737, http://www.uky.edu/Ombud/ForStudents_ExcusedAbsences.php).

Students are expected to withdraw from the class if more than 20% of the classes scheduled for the semester are missed (excused) per University policy.

VERIFICATION OF ABSENCES

Students may be asked to verify their absences in order for them to be considered excused. Senate Rule 5.2.4.2 states that faculty have the right to request “appropriate verification” when students claim an excused absence because of illness or death in the family. Appropriate notification of absences due to university-related trips is required prior to the absence.

MAKE-UP OPPORTUNITIES

Make-up opportunities will only be given for excused absences or if the student has obtained the instructor's prior approval. If you miss an exam or assignment deadline with an unexcused absence you will receive a zero for that grade. In each foreseen case, written verification will be required at least one week before the scheduled assignment date and permission to miss an assignment must be secured before the scheduled time unless the cause of the absence is unforeseen. Arrangements for a make-up must be made with the instructor as soon as possible. Make-ups will be scheduled at a time mutually convenient for the student and the instructor. Per *Senate Rule 5.2.4.2*, students missing any graded work due to an excused absence are responsible: for informing the Instructor of Record about their excused absence within one week following the period of the excused absence (except where prior notification is required); and for making up the missed work. The professor must give the student an opportunity to make up the work and/or the exams missed due to an excused absence, and shall do so, if feasible, during the semester in which the absence occurred.

ACADEMIC INTEGRITY

Per University policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe or

the student has other academic offenses on their record, more serious penalties, up to suspension from the University may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at the following website: <http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Senate Rules 6.3.1 (see <http://www.uky.edu/Faculty/Senate/> for the current set of *Senate Rules*) states that all academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about a question of plagiarism involving their work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording, or content from another source without appropriate acknowledgment of the fact, the students are guilty of plagiarism.

Plagiarism includes reproducing someone else's work (including, but not limited to a published article, a book, a website, computer code, or a paper from a friend) without clear attribution. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work, which a student submits as his/her own, whoever that other person may be. Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone.

When a student's assignment involves research in outside sources or information, the student must carefully acknowledge exactly what, where and how he/she has employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content, and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas, which are so generally and freely circulated as to be a part of the public domain.

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

Accommodations due to disability

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive

accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (DRC). The DRC coordinates campus disability services available to students with disabilities. It is located on the corner of Rose Street and Huguelet Drive in the Multidisciplinary Science Building, Suite 407. You can reach them via phone at (859) 257-2754 and via email at drc@uky.edu. Their web address is <http://www.uky.edu/StudentAffairs/DisabilityResourceCenter/>.

BEHAVIOR

Each student is expected to refrain from disruptive behavior. Specifically, (i) turn off cell phones prior to the start of class; (ii) do not talk with other students during class (asking a neighbor for a brief clarification is acceptable, but avoid carrying on private conversations.) (iii) noisy late arrivals are not acceptable (if you must be late, be discrete and take a seat near the door); (iv) reading the newspaper or browsing on websites unrelated to this class is not acceptable. NOTE: Cell phones, computers, tablets, and other electronic devices may not be visible during quiz or exam periods.

COURSE OUTLINE AND READING ASSIGNMENTS

- I. Introduction: Ch. 1
- II. Review of Supply and Demand: Ch. 2
- III. Consumer Choice, Individual Demand, and Market Demand: Chs. 3 and 4

HOURLY EXAM #1

- IV. Production: Ch. 7
- V. Costs: Ch. 8
- VI. Perfect Competition: Ch. 9

HOURLY EXAM #2

- VII. Monopoly: Ch. 11 (and parts of Ch. 12 to be assigned)
- VIII. Efficiency and Market Failure: Chs. 19 and 20

FINAL EXAM

Additional Resources

A good general internet resource is the Khan Academy web-based course on microeconomics. It covers wide range of ECO 201 and ECO 401 topics and may provide a useful supplement to my lectures and the assigned textbook readings:

<http://www.khanacademy.org/#microeconomics>

I. Introduction

Resource allocation under central planning: “China’s Winter of Discontent,” *WSJ*, 3/14/06.

<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/398959819?accountid=11836>

Resource allocation in a market system: Milton Friedman’s “Story of the Pencil.”

<http://www.youtube.com/watch?v=4ERbC7JyCfU>

Economic development across countries and over time explained in four minutes:

<http://www.youtube.com/watch?v=jbkSRLYSojo>

II. Review of Supply and Demand

Supply and demand, a thug story: http://www.youtube.com/watch?v=7MY7E_VhKMM

Demand and supply for silver, and an introduction to futures markets:

<http://www.youtube.com/watch?v=M3uNsEfgZXY>

Government intervention, unintended side effects: “Indian Fiber Weaves a Crisis,” *Wall Street Journal*, 6/23/12, p. A7.

<http://search.proquest.com/docview/1021786897/138738DE50B197BAE7A/25?accountid=11836>

III. Consumer Choice, Individual Demand, and Market Demand

Subjective value explained:

<http://www.learnliberty.org/content/subjective-value-0>

Pretty cheesy, but the best non-graphical video I could find on preferences and indifference curves (hint: the YouTube market is begging for a creative and informative video on this topic.) <http://www.youtube.com/watch?v=ACZivdTCf9k>

Preferences, budget constraints, and consumer demand illustrated in three dimensions:

<http://www.youtube.com/watch?v=QGUc5Ptx9eI>

IV. Production

Production functions and the law of diminishing returns:

<http://www.youtube.com/watch?v=FBkftZikIdU>

Making doughnuts: specialization of capital and economies of scale.

Which of these represents an efficient combination of labor and capital?

<http://www.youtube.com/watch?v=SXEsDq7JAMI>, or

<http://www.youtube.com/watch?v=1BniXyY6nXg>

More on substituting between labor and capital:

“Amazon Adds That Robotic Touch,” *Wall Street Journal*, 3/20/12, p. B1.

<http://search.proquest.com/docview/929078080/13873A065957AB4D7/74?accountid=11836> See the robots in action at: <http://money.cnn.com/2012/03/20/technology/amazon-kiva-robots/index.htm>

V. Costs

Explicit costs, implicit costs, and economic profit—how much is a business worth?

“Small Talk,” *WSJ* 5/30/06.

<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/399047133?accountid=11836>

Khan academy example on accounting profit vs. economic profit:

<http://www.khanacademy.org/#microeconomics>

Per unit costs (ATC) and economies of scale in dairy farming:

USDA econometric estimates of the long run average cost curve:

http://www.ers.usda.gov/media/430540/err47e_1_.pdf

Operations on a medium-sized farm:

http://www.youtube.com/watch?v=EaGp8Ru_n1M

Operations on a very large farm:

<http://www.youtube.com/watch?v=JJRy82i8e5Q>
Big or small, does it matter?
http://www.youtube.com/watch?v=d6_QmtWfgdc

VI. Perfect Competition

Shutting down in the short run when price drops below min AVC:
<http://abcnews.go.com/WNT/video/wasting-strawberry-fields-10220551>

Do firms expand output in the short run as market price goes up?
“Prices Low, Oil-Service Firms Can’t Dig It,” *Wall Street Journal*, 7/20/09.
<http://search.proquest.com/docview/399120534/fulltext/13873851A1117392CE1/65?accountid=11836>

Tracking changes over time in a perfectly competitive industry:
“Alligator Farming Shows There’s a Lot to be Said for Cows,” *WSJ*, 8/2/89.
<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/398158016?accountid=11836>
“Economic Woes Take a Bite out of Alligator Ranching,” *WSJ*, 11/12/97.
<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/398605851?accountid=11836>
“A Run on Alligators Sends Designers Scrambling,” *WSJ*, 3/18/06.
<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/399057549?accountid=11836>
Before reading these, pick out and watch any of the dozens of YouTube videos on alligator farming.

VII. Monopoly

“How a Fight Over a Board Game Monopolized an Economist’s Life,” *WSJ*, 10/20/09.
<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/399064057?accountid=11836>
World Monopoly Championship???
http://www.youtube.com/movie?v=0Bw7CLvz9Vs&feature=mv_sr
Microsoft monopoly? Or would you rather own Apple these days?
<http://www.youtube.com/watch?v=dLKVeFau6vo>
You might also check out “the Sopranos playing Monopoly” on YouTube.

How to price when you have a monopoly on some of the products your firm produces:
“Seeking Perfect Prices, CEO Tears Up the Rules,” *WSJ*, 3/27/07.
<http://ezproxy.uky.edu/login?url=http://search.proquest.com/docview/399036795?accountid=11836>

Price discrimination in practice: “More Law Schools Hagggle on Scholarships,” *Wall Street Journal*, 7/30/12, p. B4.
<http://search.proquest.com/docview/1030070943/138B00F13ED129D5D44/87?accountid=11836>

VIII. Efficiency and Market Failure

Property rights, enforcement costs, and external costs:
<http://www.youtube.com/watch?v=bcEHIP-ly7Y>

Externalities and prevention of auto theft:
<http://www.youtube.com/watch?v=dmmugE5HQ3A>

For a contrarian view of economics that brings in the concept of externalities:
<http://www.youtube.com/watch?v=Se55CCdfaOA>

Definition and examples of public goods:
http://www.youtube.com/watch?v=QZ4OCh-CG_0

Are publicly provided goods necessarily public goods?
<http://www.youtube.com/watch?v=ERwkDGMB7gA>

Publicly produced goods in the North Korean economy:
http://www.youtube.com/watch?v=ROUtps_IOCc