Introduction

This course consists of a broad survey of microeconomics—the study of the actions and interactions of optimizing individuals—with a focus on issues related to the environment: externalities, pollution taxes, cap-and-trade, cost-benefit analysis, etc.

Required Materials

The two required materials are (1) a copy of Quantum Microeconomics, which you can download for free online (note that this is a large file) or buy at the Ave Copy Center (on the west side of the Ave, just south of 42nd) for about $25, and (2) a Turning Point radio-frequency "clicker" that you can buy at the U Bookstore for about $35. (They look like this and are sold at the textbook counter in the bookstore. If you can buy an appropriate clicker that works from somewhere else—e.g., another student, or somewhere on the web—that's fine too.)

Grading Policy

Your grade will be based on exams (75%), class participation (5%), and a class project (20%).

Exams (75%): The class material has three segments, and during the quarter there will be midterm exams on the first two parts. For the final exam time you have a choice:

- You can take a midterm exam on just the third part of the course, in which case the midterms count 25% each, or
- You can take a comprehensive final exam that covers everything and that substitutes for any and all midterm grades lower than your grade on the final.

This system gives you two ways of getting 100% on the exam portion of this class: you can get 100% on the three midterms, or you can get 100% on the comprehensive final.

Please let me know as soon as possible if you are going to be absent for an exam. Missed exams will be dealt with in accordance with University policy (see http://www.washington.edu/students/reg/examguide.html).

Class participation (5%): Class participation will be based in part on my subjective evaluation (e.g., whether you asked and/or answered good questions) and in part on the use of Turning Point radio-frequency "clickers" that you can purchase at the bookstore. Inappropriate clicking (e.g., bringing a friend’s clicker to class) will be considered academic dishonesty and punished to the fullest extent of the law.
Class project (20%): Climate change is the environmental economics topic of the year (and probably of our lifetimes), and there is a tremendous need for public education, so for your class project you need to spend 20 hours contributing to a Wikipedia article about the economic aspects of climate change. Possible topics include (1) economic impacts of climate change in a state of your choice; (2) economic impacts of a carbon tax in a state of your choice; (3) economic impacts of a carbon tax on a fossil fuel of your choice, or on an economic sector (agriculture, forestry, public health, etc.) of your choice.

Homework: In brief, homework is not required. In length: Quantum Microeconomics has problems at the end of each chapter, and answer keys to most of those problems in an appendix. With the exception of the problems marked “Challenge” (some of which are very hard), the end-of-chapter problems are similar to what you can expect on exams. So it is in your best interest to work on the end-of-chapter problems until you are comfortable with the material.

Extra credit: You can earn a limited amount of extra credit by super-sizing your class project and/or by contributing to the class lecture notes, e.g., by writing additional homework problems, identifying typos or confusing parts, rewriting sections, etc. Although I have never had occasion to do so, I also reserve the right to give negative extra credit points to students who negatively contribute to class, e.g., by regularly interrupting class with annoying cell phone calls or regularly arriving late to class. Under normal circumstances I will give you a written (emailed) warning prior to taking action.

Mathematical Requirements: I will try to avoid an overly mathematical presentation of the material, but graphs, formulas, percentages, numerical examples, basic algebra, &etc will be important elements of the class. The point of the mathematics is to clarify rather than muddy the economics, so please let me know if you are having mathematical difficulties; I will work hard to help you out.

If you have a mathematical bend, or if you are planning on taking more economics, you may be interested in the calculus-based version of the text, Quantum Microeconomics with Calculus, available online. As always, I welcome your comments and suggestions.

Class Philosophy

The immediate goals for this class are (1) to help introduce you to a new way of looking at the world, to what Paul Heyne called the economic way of thinking; (2) to apply this new way of looking at the world by discussing environmental issues; and (3) to have fun.

The ultimate goal is for all of us to become more well-rounded and thoughtful members of society. As such, I will measure (and encourage you to measure) the success of the class by its long-term impact, i.e., by its effect on your thinking and behavior after the last day of class. One manifestation of this goal is that I will de-emphasize short-term achievements: I will not ask you to engage in pointless memorization or force you to cram for a final exam. A second manifestation is that I will try hard to make the learning process as painless as possible: if you find the economic way of thinking difficult or cumbersome you are unlikely to make much use of it after class is over.
Communication

I regularly send out emails to the class list provided to me by the University. If you would prefer to have email sent to a different address, you can configure your UW account to automatically forward mail to your preferred address. I also post PDF files on the class website; you should be able to view and print them from any computer on- or off-campus. If you experience technical difficulties, you can try asking me, but I am not a computer expert. The folks at the UWired computer labs are.

Other Electronic Information

Thanks to the UW Catalyst software system, the class webpage now contains a link to an online class discussion forum. You can use this forum to post class-related questions; asking questions (and/or answering them) qualifies for extra credit. You can also use the discussion board to find study partners.

The class webpage also contains a link to a UW Catalyst form that you can use to provide me with anonymous feedback about the class. Please keep in mind that this is an anonymous feedback form; if you have a question that you want answered, please send me a regular email!

Disabilities

If you would like to request academic accommodations due to a disability, please contact Disabled Student Services, 448 Schmitz, 206-543-8924 (V/TTY). If you have a letter from Disabled Student Services indicating you have a disability that requires academic accommodations, please present the letter to me so we can discuss the accommodations you might need for this class.

Snow/Disasters/Etc.

You can find out if classes have been cancelled by calling the UW’s 24-hour hotline, 206-547-INFO, or checking MyUW. You can also sign up for UW Alert. I will also try to send out an email to the class list.

A Final Caveat: Sleep but Don’t Snore

The laissez-faire ideology is central to this class. I will assume that you are doing what is best for you, and I will not question or attempt to have undue influence on your choices. I will try hard to tell you what to expect on tests, and you will be free to learn as you choose: learn from class, learn from your friends, learn from a book, learn from the lecture, learn from the web, learn from the (optional) homework assignments—whatever works for you. The only caveat is that you should not detract from the learning experience of other students.

Good Luck and Welcome!
Course Outline (Tentative)

Week 1 – (starting Monday Jan 7)
M Chapter 1 (and the big question)
W Chapter 2 (risk and climate change)

Week 2 – (starting Monday Jan 14)
M Chapter 3 (and discounting issues)
W Chapter 4 (and capital theory)

Week 3 – (starting Monday Jan 21)
M No class (Martin Luther King Day)
W Chapter 5 and exam

Week 4 – (starting Monday Jan 28)
M Chapter 6 (and permit allocations)
W Chapter 7 (and cost-benefit analysis)

Week 5 – (starting Monday Feb 4)
M Chapter 8
W Chapter 9 (Tragedy of the Commons)

Week 6 – (starting Monday Feb 11)
M Chapter 10 (permit auctions)
W Chapter 11 (marine affairs)

Week 7 – (starting Monday Feb 18)
M No class (Presidents Day)
W Chapter 12 and exam

Week 8 – (starting Monday Feb 25)
M Chapter 13
W Chapter 14 (and carbon taxes)

Week 9 – (starting Monday Mar 3)
M Chapter 15
W Chapter 16

Week 10 – (starting Monday Mar 10)
M Chapter 17 (and externalities)
W Chapter 18 (double dividend)

Final Exam – Tuesday, Mar 18, 2:30-4:20
As noted above on page 1, you can choose to take a comprehensive final exam or a midterm exam that covers only Part III of the text.