

ECON 206: SPRING 2021

A SYLLABUS FOR “INTERESTING TIMES”

4--28--21

“The purpose of studying economics is not to acquire a set of ready-made answers to economic questions, but to learn how to avoid being deceived by economists.” Joan Robinson

“I am not one of those people who believe that economics has the last word to say about every subject under the sun ... But I do think that economists seem to be the only people who have any systematic way at all of thinking about certain problems.” Robert Solow

Everything that you need to know about the course is somewhere in this Syllabus. *Read the Syllabus carefully* and consult it when you have a question such as: When is the final exam?

I have made only minor changes in this course since the pandemic.

I have **not** added an IT component to my ECON 206 section; Zoom is an advanced technology for someone like me who still has an iPhone4. This is the last time I will teach an economics course and I am too old a dog to learn new tricks. So, *there will not be any online sessions*. We will use an old-fashioned technology - email.

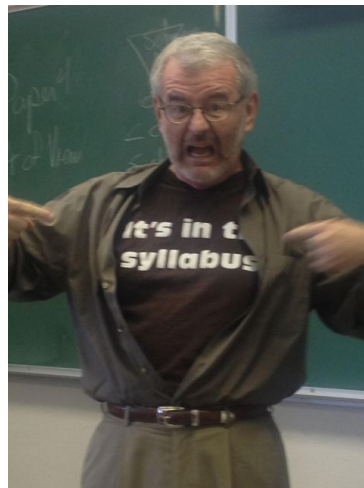
When I taught the course last year there were no complaints and so I hope that this year’s course will go equally well. However, taking economics online with no lectures is a not something to be undertaken lightly. Think about whether you want to take ECON 206 with me or whether you would be better off in some other section.

If you have a question or problem that is not covered in the Syllabus, then **email me** at allan.sleeman@icloud.com, put **ECON 206** in the subject line so that I can find your email if it ends up in my junk mail amongst all those

unsolicited emails trying to sell me pills that the sellers claim will enhance my already incredible sexual prowess. Do **not** email me at my WWU account because I seldom look at it.

I essentially operate office hours seven days a week, 14 hours a day. Email is more efficient than face to face office hours because it requires you to formulate your question(s) carefully and stops the session degenerating into pleasant but inefficient chats. I have not had formal office hours for many years.

I can usually answer your questions within a day, and often much more quickly than that. *If you have not received a reply in 24 hours email me again.* Always consult the Syllabus before emailing me; you will save us both a lot of time.



That isn't me. I am older and have less hair, but I am *much* better looking. I would say: "It's in the #@!#\$%^ Syllabus".

By now you will have some idea of my sense of humor and what you are missing by not hearing me lecture. Alas, you can't hear my cute English accent.

1. ABOUT ME ([You can skip this section.](#)) Students sometimes ask me questions about my background.

My name is Allan Sleeman. You can address me as Herr Doctor Professor Sleeman, professor Sleeman, doctor Sleeman, mister Sleeman, Oh Great and Sagacious Sleeperson, Allan, anything, *within the realms of civility*, except AI. Do I look like an AI? The answer is definitely not but you can't see me this quarter.

I was born on June 3rd, 1938 (so I am probably older than your grandparents!). When I refer to "the war", I mean World War Two. Recently one of my English friends asked me if I could remember VE Day (May 8th 1945). She said that she had asked her mother what was all the fuss about. Her mother said that the war was over. Vivienne asked: Who won?)

I attended school in Brighton where I lived until I was eighteen. Brighton is on the South Coast of England, about sixty miles south of London.

I was a student at the London School of Economics (the LSE) from October 1957 to June 1960 graduating, with a B.Sc. (Econ) honors degree. I specialized in "Economics: Analytical and Descriptive," the theory major. After graduating, I spent one year working for the Nestlé Organization as an economist. (I am one of the few economists who has held a real job and who knows how a large firm operates.) I rapidly learned that I did not like working regular hours, and so I switched to teaching economics. I gave my first microeconomics Principles lecture in October 1961. I taught for eleven years in England and Scotland, including five years at the University of Glasgow, where Adam Smith also taught (somewhat earlier than I did).

On September 1st 1972, I came to the US with my wife (Janna Marie) and ten-week-old son (Martin) on a faculty exchange with a colleague at Ohio University in Athens, Ohio. We came for one year, were invited to stay for a second, and we have spent almost forty-eight years in North America. We are American citizens. We are also British citizens because it has never occurred to the Brits that anyone would ever want to be anything else, and

so there is no provision for renouncing your UK citizenship. However, I am English, not British or American. (If you want to see the English (and a few Brits) at their most insular watch the second half of the Last Night of the Proms <https://www.youtube.com/watch?v=jrC1UbXXs1o> you might want to start at about 11 minutes in). And then there is this typical piece of English understatement <https://www.youtube.com/watch?v=5uiVoZTBN0> - (There used to be 240 pennies to the pound. Tuppence is two of the old pennies. Now the U.K. has gone decimal.) You will have to get used to the fact that I sometimes lapse into English.¹ (The English would, with obvious justification, describe my course as Brill!)

My wife and I will celebrate our fifty-fifth wedding anniversary on May 28th. Our son Martin graduated with an MIS degree from WWU and then worked at Microsoft for twenty years. In March 2014, he moved to Tableau; now he works for Oracle. Martin is married and has two teenagers. The oldest is finishing her freshman year at Willamette. The younger one is also the family wit; the other day he said that he used to think that he was an introvert, but had decided that he was really an extrovert – but with no friends (he lies).

I received my Ph.D. from Simon Fraser University in B.C., Canada. My doctoral thesis consisted of three essays on the UK Phillips curve 1862-1978. You will learn about the Phillips curve if you ever take a macroeconomics course. I was never very interested in research, but there is a fascinating – he says modestly – paper on Phillips' life in the Papers section of the web site. Currently, I am reworking a set of papers on supply and demand (also available in the papers section); however, economists are absolutely certain that they already know everything about supply and demand that needs to be known and so my work will probably only be discovered long after I croak.

¹ This link may help <https://www.lifehack.org/articles/lifestyle/simple-british-sllangs-you-probably-should-start-using.html> and <https://www.lifehack.org/articles/communication/30-awesome-british-slang-terms-you-should-start-using-immediately.html>

I moved to Western in 1977 and retired in June 2005. I teach ECON 206 because I enjoy doing so (and so long as they continue to pay me!) You will be my last class. I wish I could have lectured to you.

I think that Brexit was a mistake and despise the Royals of all ages and sexes. Have you ever thought what Your Royal Highness means? I no longer pay attention to soccer and seldom watch cricket.

2. THE LECTURES

As they would say on Monty Python: "There are no lectures!" Alas, because I enjoy lecturing.

3. THE COURSE

My ECON 206 sections are, like me, idiosyncratic; they have a different emphasis and some different content than those of my colleagues. You may find their methods more congenial than mine, in which case you should switch to one of their sections as soon as possible.

Although my ECON 206 section places less emphasis on the standard theory than is usual, I do cover almost all of that theory, but sometimes more tersely than in other sections (but sometimes in greater detail). I try to emphasize the core theoretical concepts that are crucial for you to have a good intuitive feel for economics. Because I sometimes spend less time on the theory, I can spend more time on detailed policy applications, and I also have time to cover some topics that are largely ignored in standard courses.

I will introduce you to the basic concepts, vocabulary, and tools of microeconomics, and I will show you how to use these tools to think about economic policy. Much of our attention will be devoted to how markets work and how they often fail to do so. I will analyze how policies such as rent control, minimum wages, protection, agricultural subsidies, prostitution, the "war on drugs", environmental policies, etc., affect market outcomes by changing the incentives facing market participants. I hope that by the end

of the course you will have developed a feel for how economists approach policy issues, and also that you will have some idea of the limitations of the economists' view of how the world works.

Objectives: By the end of the course, you should be able to: (i) Understand the concepts of scarcity, tradeoffs, and opportunity cost, and why marginal analysis is important in making decisions. (ii) Understand how specialization and trade based on comparative advantage can increase social welfare. (iii) Understand how markets allocate scarce resources and the individual decision making that determine market outcomes. (iv) Understand the conditions under which markets do or do not lead to socially optimal outcomes, and describe some policy options in the cases where market outcomes are not socially optimal. And (v) understand the various types of market structures and their strengths and weaknesses. Two mid-term exams and an optional comprehensive final exam will evaluate student progress in meeting the objectives of the course.

I am human (really), and I have my beliefs about what is socially desirable. (In Europe I would be called a Social Democrat.) I will try not to ram my beliefs down your throats, but be aware that my prejudices inevitably shape what material I cover and how I cover it. You should *always be skeptical about what I say*, especially if what I say has policy implications. I have a healthy skepticism about the efficacy of markets, and I am equally skeptical about the ability of governments to always regulate markets efficiently and to enact sensible economic policies. I also believe that economics is a far from perfect discipline. I will mention what I believe are some its deficiencies from time to time as the course progresses.

If I was twenty years younger, I would completely revamp the course. I Hope to write a "Prologue" to the course during the next twelve weeks explaining what I think is wrong with the course and the limitations of economic theory - none of this will be examinable and you don't even have to read it.

4. EXAMS AND GRADES

There will be **two mid-term exams** and a **comprehensive optional final exam**. Each mid-term exam will have **33** multiple-choice questions to be completed within **40** minutes. The **optional comprehensive** final will have **34** multiple-choice questions and will last for **45** minutes. Note that the finals will occupy only the **first 45** minutes of the **second** hour of the two-hour time-slot allocated in the University timetable. I will post more information about the exams – for example, the allocation of questions between the Commentaries and the logistics of the exams – on the NewsFeed.

The exams will cover material in the Commentaries, and anything else I assign.

The dates of the exams are: (**please check all the dates and email me ASAP if I have got a date wrong or have misread the finals schedule.**)

FIRST MID-TERM EXAM: Friday, **April 30th**, **12.00 to 12.40** pm. It will *probably* cover material in Commentaries CM1-CM11.

SECOND MID-TERM EXAM: Friday, **June 4th**, **12 to 12.40** pm. It will *probably* cover material in the Commentaries CM11-CM22.

THE SECOND MIDTERM EXAM IS NOT A COMPREHENSIVE EXAM

FINAL COMPREHENSIVE EXAM: **Tuesday, June 8th**, **9.00 - 9.45** am.

Note that the second mid-term is scheduled during “dead week” because I want the mid-terms to cover as much of the course as possible since some of you will not take the final. Note the *date* and *time* of the final.

You are responsible for checking any exam changes, especially date changes. I will announce any changes on the NEWSFEED.

Make a careful note of the dates and times that your exams begin and end – set your alarm clocks, cell phones, and other IT devices to remind you to take the exam on time.

All exams will be given at the scheduled times; **there will be no early, late, or makeup exams**. Note that the University does not allow final exams to be given early. (Plan your vacation travel, marriages – yours or your relatives and friends – sports events, and funerals accordingly.) If you anticipate time conflicts with the scheduled exams, contact me by email and be prepared to withdraw from this section.

I *try* to make my grade distribution more generous than most ECON 206 sections. I believe that because you do not have a standard textbook, and because I sometimes discuss more sophisticated material than is usual at the Principles level, that my course is in some ways more difficult than those of my colleagues. To compensate for this, I use a more “student friendly” grade distribution than is usual in the Economics department; I *try* to give more As and A-s than is usual for ECON 206 and fewer Ds and Fs. However, my grade distribution is not as easy as in many courses at WWU (27% of all grades at WWU are As and 75% are B-s or better). Some of my students do get low Cs, and Ds and Fs despite my best efforts, so *do not delude yourself into thinking that my course is a soft option*. **Poor grades result from ignoring my advice on how to study ECON 206** (see the NewsFeed).

I use the plus/minus grading system. You obtain your grade in the course by answering the questions on the exams. I set the exams, record the scores, and determine the cut-off points in the grade distribution. **No "extra credit work" is available for this course**. If your grade is crucial for some reason – to graduate, remain in school, obtain financial aid, etc. – **you** must take the appropriate steps to ensure that you obtain the necessary grade. If you are in one of these categories and you are uncertain as to how to proceed, then **contact me by email** as soon as possible at the beginning of the quarter.

If you do poorly, or less well than you had hoped, on the first exam, and if you are puzzled by your poor performance, then [email me](#). But there is little point in doing so if you know that you did not study enough, or if you know that you ignored my advice on how to study. I will simply tell you to study harder and more effectively, i.e. do what I recommended, and refer you to the advice on the Newsfeed. If you are still doing badly by the second mid-term – [email me ASAP](#).

*To get a grade you must complete two exams. If you are satisfied with your grade after the second mid-term you do not have to take the **optional final**. If you take all three exams then I will drop your lowest score when determining your grade.*

5. TEXTBOOKS

Again, as the inimitable Monty P would say: “There are no textbooks!” However, my Commentaries are now *very much like* a short textbook (but see below), and you should treat them as if they were the textbook for the course.

If you master the Commentaries you should do well in the course without needing a textbook. I have taught this course for over twenty-five years without assigning a textbook and the students in those classes have done as well or better than the students who took the course during the thirty-five years when I required a textbook.

However, if you wish, you can buy a used paperback Principles of Microeconomics textbook – even a complete hardback Principles text – for as little as \$4 including postage. Although I don’t know if this will work under present supply restrictions.

Used textbooks can be found at:

Textbooks.co <http://www.textbooks.com/>

Amazon.co <http://www.amazon.com/books-used-books-textbooks/b?node=283155>,

BookFinder.co <http://www.bookfinder.com/>

alibris.co <http://www.alibris.com/books/textbooks>.

Any text will do so long as it was written after about 1970. Most of the theory I teach you was taught to me in 1957 and even then, it was already decades old. The best-selling micro-principles text is Greg Mankiw's *Principles of Microeconomics*. If you click on the "Look Inside" button on Amazon and then look at the Table of Contents you can see the book's chapters' contents. If you compare his coverage with mine then you will see that I spend less time on what economists refer to as the theory of the firm and that I use the space to cover topics that he ignores. Krugman and Wells, Stevenson and Wolpers, Acemoglu, Laibson and List are all well done texts. I disagree with some things in all of these texts, in fact all of the micro texts I have seen in the last 60 years.

There are many short videos on almost all of the *standard* ECON 206 topics on the Khan Academy <https://www.khanacademy.org/> and YouTube. The YouTube courses are of variable quality. There are 88 videos on Tyler Cowen's Introduction to Microeconomics web site. I think that they are probably your best bet if you want to get an approximation of a lecture. But I have not watched all of these videos.

<https://mru.org/courses/principles-economics-microeconomics/introduction-microeconomics>

Cowen, who is a professor at George Mason University, is more enthusiastic about markets and less keen on regulation than I am but it is good for you to have another perspective.

I have added TW to some of the Commentaries to indicate which of the Cowen videos applies to them. If I mess up please let me know ASAP.

I would be very happy to receive feedback on the videos and questions about why Cowen's take on an issue may be different from mine. I think

that you will find that I do some of the theory in greater detail than they do.

As far as this course is concerned, I am God and the Commentaries are my Bible. So do not tell me after an exam that you chose the wrong answer to a question because of what was written in a textbook or on the web – I will not be sympathetic. **You must answer the exam questions based on what it says in the Commentaries and only on what it says in the Commentaries.** If there is a conflict between what you see somewhere else and what it says in the Commentaries then contact me for clarification.

I hate to write this but avoid using your “commonsense” and trying to think outside the course box. I know that is depressing but economists have an unusual way of looking at the world and it is that world view that I am employed to teach and will examine you on.

I think that your time is best spent working on the flashcards that you make from the Commentaries rather than watching stuff online. Watching a video is a very passive form of learning.

6. THE COMMENTARIES

In the Spring quarter of 2010, I started – foolishly – to write lecture notes that I posted on my website because I was concerned that some of my students had problems taking notes in class. <https://collegeinfo geek.com/how-to-take-notes-in-college/>. I called these notes Commentaries. By the end of that course, the Commentaries had expanded to about 21,000 words. The Commentaries now have about 120,000 words – which does not include the almost 4,750 words in the Syllabus. The material in the current Commentaries is equivalent to about 260 pages of text in a standard textbook. The diagrams, tables, and photographs would add about another 30 textbook equivalent pages. This quarter I plan to make only minor revisions to the Commentaries, but as I wrote above, I hope – which springs eternal – to write a “Prologue” to the Commentaries and perhaps a Commentary for Topic 23.

Although *the Commentaries* are long enough to make a short textbook, the Commentaries are **not** a textbook; they are *still just an expanded set of lecture notes*. The Commentaries have not been polished by professional copy editors and critiqued by dozens of economists in the way that a textbook has to be before a publisher commits millions of dollars to publishing it. A professional draughtsman did not draw my diagrams, and the pages have not benefitted from highly paid page-designers. Remember that you get what you pay for.

I would be **delighted** to have your feedback on the Commentaries; when you spot typos and the occasional “thinko”, spelling and grammatical errors, please email me.

Here is a list of the Commentaries:

[(19) means that CM1, which is about 5,000 words long, is equivalent to about 11 pages of text in a standard textbook.]

CM1. The Economic Problem. Scarcity. Opportunity cost. Marginal analysis. (19). TW Introduction.

CM 2. Discounting. Higher Education/The cost of Children. (9).

CM 3. The Production Possibilities Curve. (7.4).

CM 4. Supply and Demand. (20.4). TW Supply, Demand, and Equilibrium.

CM 5. Consumer/Producer Surplus. (11).

CM 6. Maximum Prices: Rent Control. (12). Price Ceilings, etc.

CM 7. Minimum Prices: Minimum Wage. (11).

CM 8. Sales Taxes. (7). TW Taxes and Subsidies.

CM 9. Subsidies. ([Skip part 5](#)). (7).

CM 10. The Division of Labor and Comparative Advantage. (14.4). TW Trade

CM 11. Trade and Protection. (13.8). TW Trade.

CM 12. Voluntary exchanges: Child labor/Sweatshops. The Draft vs. a Volunteer Military. (14.2).

CM 13. Markets and Resource Allocation. (10). TW The Price System. Competition and The Invisible Hand.

CM 14. External Effects. (14.5). TW Externalities.

CM 15. Public Goods. (10.5). TW Public Goods, etc.

CM 16. Information Problems. (13). Asymmetric Information.

CM17. Elasticity. (7.5). TW Elasticity and its Applications.

CM 18. Prohibition: Prostitution and Drugs. (11).

CM 19. Aggregate Economic Welfare. (11).

CM 20. Happiness. (7.6)

CM 21. Distribution. (21)

CM 22. The Theory of the Firm. (6). TW Costs and Profit Maximization Under Perfect Competition.

[22A. Costs, Revenues, and Profits (7)

22B. Monopoly. (5) TW Monopoly.

22C. Monopolistic Competition. (3)

22D. Oligopoly. (4)

22E. Competition. (4) TW Costs and Profit Maximization Under Perfect Competition.]

22A-E contain the material usually taught in ECON 206 and need only be looked at by potential econ majors. NOT EXAMINABLE.

23. Factor Markets: Labor. Sexual Discrimination Only examinable if I get to this stuff. TW Labor Markets.

Personal Finance. NOT EXAMINABLE.

I wrote CM22A-CM22E for those of you who plan to take ECON 306, Intermediate Microeconomics, or any course that presupposes knowledge of the theory of the firm. Most ECON 306 courses review this material because many, usually most, students by the time they take ECON 306 have forgotten most of the theory they learned in ECON 206. Business students may also want to review this material, although I seriously doubt whether your business professors take this stuff seriously – I don't.

The approximate number of pages is as of 3/12/21; I may add more words during the quarter as I revise the Commentaries and *if* I write CM23 and the Prologue. The number of pages is based on 450 words of *text* per page of a standard textbook. Two hundred and fifty textbook pages is a lot less than the 400+ pages length of most Micro-Principles texts, and less reading than is required in most ECON 206 courses and very much less than if you were taking a serious STEM course.

7. SOME GRANDFATHERLY ADVICE

If you are working in addition to studying, and most of you are, then you need to think hard about your priorities. You will be at WWU for **four** years; you will be in the workforce for about **44** years. (And you will probably have to keep yourself and your dependents for probably another **34** years after you retire.) How well you do at WWU will have a major impact on your lifetime earnings. Your earnings in your next job are strongly tied to what

you earned in your previous job. It is vital that your first job pays well (including benefits) as well as being intellectually fulfilling. That means you must get a good GPA, preferably in subjects where employers assume that it is harder to get high grades; STEM subjects and Economics and Finance have higher payoffs than Basket Weaving 201.

One day you will finally enter the workforce full-time; that is not a moment when you want to finally acquire new better habits. Do not fool yourself that on that magical day, you will be suddenly transformed from a frog into a prince/princess: once a frog almost always a frog. You must start to acquire good habits today, if you have not already done so, and discard bad ones if you have developed them. What do I mean by good habits? If you want to earn a decent salary, then you must show your employer that you to have a *strong work ethic*, that you are a *self-starter*, that you are able to *organize your time efficiently* so that you complete tasks when or before scheduled, that you *show initiative* (to go that extra mile by doing something that you have not been asked to do), that you can *work with little supervision*, that you *meet deadlines* without having someone prodding you, and that you can *follow instructions carefully* without having to continually ask your supervisor what it was she asked you to do. Unfortunately, the education system that you have suffered through, and even some of your classes at WWU, may not have helped you acquire good work habits. Give top priority to your education, not your temporary job, your sports, or your social life – even your sex life must take second place.

8. THE NEWS FEED

I will post any new information about the class on the NEWS FEED section of the website. You should consult the NEWS FEED frequently. *I will post exam results and comments on the NEWS FEED, as well as corrections to the Commentaries. If there are any changes to the dates or coverage of the tests, I will post them on the NEWS FEED bulletin board.*

9. GETTING STARTED

After you read page 16 below, go to the NEWS FEED and **study carefully** “[Learning Economics](#)”. I realize that you all know more about how to learn economics than I do, but it is just remotely possible that in almost 60 years teaching this course, I may have learned something that you, new to this course, don’t know.

Decide which time plan - A, B or C - you will follow. Start working on the Commentaries ASAP. CM4 and CM5 contain the most sustained pieces of theory in the course.

Start making a set of 5x3 cards. You can start by using the questions at the beginning of the Commentary but expand your cards using my questions as a guide. Then [test, test, test, and test again!](#)

If you want to get a good grade in this course, you must expect to work hard *all quarter*.

And now for something completely different!

ALL TOGETHER NOW! LOOK ON THE BRIGHT SIDE OF LIFE!

I was born and educated and spent the first thirty-four years of my life in England. As any of you who have encountered Monty Python or Blackadder will be aware, irony, exaggeration, sarcasm, lampoon, parody, satire, and all sorts of politically incorrect behavior are considered humorous on the other side of the Atlantic. From time to time, my English sense of humor may get the better of me. Please do not take *everything* that I say, even with a straight face, seriously. And let me apologize in advance if I should, inadvertently, tread rather heavily on some gentle person’s tender psyche.

The piranha pit and the impaling stakes are used only in the direst circumstances, such as everyone getting an F on the first mid-term exam, which, I am sure, will not happen this quarter.

You may wish to see the Ashes of Whining Students that are on display outside my office in Parks Hall – below the No Whining sign.

The floggings will continue until morale improves.

Everything that is not forbidden is compulsory.