Course Description and Objectives

Price theory is first and foremost an “engine of analysis.” Its distinguishing characteristic is a focus on figuring out how the world works, and using that knowledge to answer real-world questions. Why might “free tuition” result in people consuming less education? Will a tax on smoking lead people to smoke more high-quality cigarettes? Why are the tickets to popular events under-priced? Is there an optimal amount of pollution? Do monopolies make too little profit? Does a minimum wage help workers? Are college students poor? These questions are not only interesting in-and-of themselves, but are critical to understanding many of the policy debates you have probably heard about in the news. Upon successfully completing this course, you will be able to use price theory to answer questions like these, analyze a wide range of behavior by both individuals and businesses, and predict how this behavior will be affected by government regulations, or lack thereof.

Prerequisites and Expectations

I expect that you are capable of using basic algebra and graphs. If you need to brush up on your math skills, there are resources available online such as Khan Academy. I also expect you to read, watch, and listen to the assigned materials prior to coming to class. Note that you may need to review the material multiple times to fully grasp it. Finally, I expect you to treat me and your fellow classmates with respect.

Required Materials

We will be using the second edition of McCloskey’s The Applied Theory of Price. I have posted a copy of the book to Blackboard. Note that the digital version is just a scan of the text. If you want a physical copy, they’re available online through various used bookstores. If you decide to go this route, either edition will be fine, although it will be up to you to align the chapters between the two editions.

I will also be assigning journal articles that either clarify a theoretical point or illustrate how price theory can be applied to the real world. I will post these articles to Blackboard and let you know when to read which ones.
Finally, I will also be assigning videos and podcasts that I think clarify the material we’re covering or are an interesting application of economic theory, or both. These will also be posted in Blackboard. Like the journal articles, I’ll let you know when I expect you to watch or listen to these materials.

**Evaluation and Grading**

Your grade in this course will be determined by four types of assignments: online quizzes (20%), article summaries (20%), problem sets (20%), and two exams (40%). Angelo State University employs a letter grade system, with each letter corresponding to a percentage scale as follows:

- A: 90%-100%
- B: 80%-89%
- C: 70%-79%
- D: 60%-69%
- F: ≤ 59%

The online quizzes will cover the assigned material from the week prior, and must be completed by **Monday at 11:59pm**. The quizzes will be conducted on Blackboard and will consist of multiple choice and true/false questions. I will drop your two lowest quiz grades. **There will not be any make-up quizzes - no exceptions.**

Each week, you will submit a summary for one of the assigned articles. It will be up to you pick which article to summarize. Like the quizzes, the summaries will cover the journal articles assigned the previous week. The article summaries will also be due by **Monday at 11:59pm**. I will post additional instructions on Blackboard about how long I expect your summaries to be, how they should be formatted, and what they should include. You will submit your summaries to me via email. **I will not accept late summaries - no exceptions.**

There will be a total of six problem sets; two for the material covered prior to the midterm examination, and four for the material covered prior to the final exam. You will submit these problem sets via a platform called gradescope. I’ll post additional information about due dates and how to submit the problem sets once the semester starts.

There will be two exams over the course of the semester. Each exam will be take-home, and like the problem sets, you will submit your exams via gradescope. Because you’ll have several days to work on the exams, **I will not be offering any make up exams**. The final exam will not be explicitly cumulative; however, because price theory builds on itself, you will need to possess a solid understanding of the material covered in the first part of the course to do well on the final exam. The first exam will be due **Monday, September 28 by 11:59pm**, and the final exam will be due **Monday, November 23 by 11:59pm**.

Finally, the Free Market Institute at Angelo State University will tentatively be hosting three public lectures over the course of the semester. For each lecture you attend, you will receive one quarter of a letter grade of extra credit. I will provide additional details about these events as they get closer. **These events will be the only opportunity for extra credit - no exceptions.**
Tentative Course Outline

This schedule may be revised as the semester progresses.

<table>
<thead>
<tr>
<th>Topics Covered prior to Midterm</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand</td>
<td>McCloskey, 1-2</td>
</tr>
<tr>
<td>Exchange</td>
<td>McCloskey, 5, 6.1, 6.2, &amp; 7.1</td>
</tr>
<tr>
<td>Production &amp; Welfare</td>
<td>McCloskey, 8.1, 8.3, &amp; 10.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topics Covered prior to Final</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production &amp; Markets</td>
<td>McCloskey, 11-16</td>
</tr>
<tr>
<td>Monopoly</td>
<td>McCloskey, 17-19</td>
</tr>
<tr>
<td>Labor, Capital &amp; Distribution</td>
<td>McCloskey, 22-23 &amp; 25-26</td>
</tr>
</tbody>
</table>


As a member of the Texas Tech University System, Angelo State University has adopted the mandatory Facial Covering Policy to ensure a safe and healthy classroom experience. Current research on the COVID-19 virus suggests there is a significant reduction in the potential for transmission of the virus from person to person by wearing a mask/facial covering that covers the nose and mouth areas. Therefore, in compliance with the university policy students in this class are required to wear a mask/facial covering before, during, and after class. Faculty members may also ask you to display your daily screening badge as a prerequisite to enter the classroom. You are also asked to maintain safe distancing practices to the best of your ability. For the safety of everyone, any student not appropriately wearing a mask/facial covering will be asked to leave the classroom immediately. The student will be responsible to make up any missed class content or work. Continued non-compliance with the Texas Tech University System Policy may result in disciplinary action through the Office of Student Conduct.

Should you be unable to come to class - either because you need to quarantine or you’re uncomfortable being around others - I’ll be recording my lectures and posting them to Blackboard, along with my lecture outlines. Note that I will not be live-streaming my lectures, so it will be your responsibility to keep up with the lectures and attend my digital office hours on Zoom to go over any questions you may have. Finally, we will have assigned seats in class to facilitate contact tracing should that become necessary. Once you pick a seat, that will be your seat for the entirety of the semester.

Additional Information

Academic Honesty and Integrity

Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding and complying with the university Academic Honor Code, which is in both print and web versions of the ASU Student Handbook.

Accommodations for Disability

ASU is committed to the principle that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs or activities of the university, or be subjected to discrimination by the university, as provided by the Americans with Disabilities Act of 1990 (ADA), the Americans with Disabilities Act Amendments of 2008 (ADAA), and
subsequent legislation.

Student Affairs is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability, and it is the student’s responsibility to initiate such a request by emailing studentservices@angelo.edu.

**Code of Ethics**

Students, faculty, administrators and professional staff of the Norris-Vincent College of Business should always:

- Be forthright and truthful in dealings with all stakeholders.
- Take responsibility for one’s actions and decisions.
- Serve as an example of ethical decision-making and behavior to others.
- Admit errors when they occur, without trying to conceal them.
- Respect the basic dignity of others by treating them as one would wish to be treated.