

經濟學

3 Course Announcements:

- I) Homework #1
- II) Midterm Exam Review
- III) Midterm Exam

I) Homework #1

Due by – 4/25 (四)

Give the Teaching Assistant.

Students can work in groups from 1 up to 15 students.

Each group should turn in ONE copy of the homework which includes all the students' full names and ID numbers. Homework must be typed but graphs may be hand drawn, but must be clear.

Cheating on homework will be punished harshly.

At the end of each chapter find the section titled: “**Problems and Applications**” (10 problems). The questions in the newest English version of the textbook are in English. However, you may answer in Chinese or English – but it must be typed.

Chapter 10: 2, 3, 5, 8

Chapter 11: 3, 5, 6

Chapter 12: 2, 3, 5

II) Midterm Exam Review

You may bring ONE sheet of A4 notes and a book dictionary.

NO TEXTBOOK / NO CALCULATORS / NO CELL PHONES / NO COMPUTERS

The midterm exam will be in English, you may answer in Chinese or English – but you must write clearly. All graphs must be clear and have axes labelled clearly.

Midterm Exam covers Chapters 10 – 12

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There are three types of questions:

- Definitions
- Multiple Choice
- Short Answer

Definitions come from each chapter's "key concepts" which are listed both at the end of each chapter, and their definitions are given on the side of the text. Students are responsible for the definitions of the special words over the part of the text the midterm covers (Chapters 10 – 12).

Multiple choice question require you to identify the correct answer among several possible answers.

Short answer questions will require you to analyze issues and/or calculate answers.

SUGGESTED TOPICS TO PREPARE FOR

Chapter 10) Externalities

- What is market failure? What is an externality?
- Positive vs. negative externalities
- Government role in markets where there are externalities
- Explicit costs vs. implicit costs (or opportunity costs)
- From data or a graph for a market with an externality, calculate market equilibrium and socially optimal quantities and prices.
- The Coase Theorem and transaction costs
- Tradable pollution permits and the permits' distribution or allocation effects on efficiency.

Chapter 11) Public Goods and Common Resources

- What is excludability? What is rivalry in consumption? What is the “free rider problem”?
- What are the definitions of private goods, public goods and common resources?
- Cost-benefit analysis

Chapter 12) The Design of the Tax System

- Central (or Federal) government receipts (or taxes or revenue) and expenditures for the USA (at least the main 2)
- **MUST understand given a person’s income, what is their average tax rate, marginal tax rate is and also – given sufficient data – be able to calculate total taxes paid, average tax rate and marginal tax rate for one person.**

III) Midterm Exam

4/26 (五) 2:20pm – 3:50 pm, B 606, 607, 608