

AGEC 220 SYLLABUS, SPRING 2017 **(Current as of January 9, 2017)**

Contact Information

Instructor = Roman Keeney (rkeeney@purdue.edu), KRAN 692
Clerical Assist = Tracy Buck (tbuck@purdue.edu), KRAN 688
Teaching Assist = Emma Farkas ([tbd](#))

Course Meetings & Office Hours

MWF 1:30 – 2:20 (Kran G016)
MW 12:00 – 1:00 (Kran 692)

Course Description

AGEC 220 is a course taught at the freshman/sophomore level for students in applied and agricultural economics. In many ways the course can be thought of as microeconomics in an applied setting, meaning we substitute corn or wheat (or some other “real”/agricultural product) for the more traditional fake good “widgets” often used in Econ textbooks.

While our class is largely focused on the study of market outcomes and function, we will spend some time on the market’s underpinnings and the choice problems they face. These agents, often referred to as producers and consumers are added (or aggregated) together to make the supply and demand that we track and analyze for analyzing market prices, quantities, trade, policy etc.

With an understanding of the agents’ problems and how they make best choices under the constraints they face, we can understand all the necessary conditions for market analysis including the changes (ore response of) in supply and demand that occur when the economic system is “shocked” from its stable equilibrium. We focus on the notion of equilibrium in markets and how there is a tendency for changes not to occur absent some intervention or disruption entering the system. From market equilibrium concepts we are able to develop every major learning objective of import in the course – e.g. understanding welfare and policy impacts, analysis of trade between countries, evaluating competition, etc.

Textbook/Course Reading:

This course operates without a textbook. It is my job to present to you the best examples, analysis, descriptions, and discussions that I can through class lectures, laboratory handouts, and assigned reading. Lectures are provided to students as powerpoint slides but you are responsible for all material presented, whether it appears on a slide or not. The primary functions of the powerpoint slides is to provide us with an outline of topics and concepts covered; they are not an exhaustive resource that substitutes for attending lecture. Powerpoint slides are a rough map of the day’s examples and discussion points. You should supplement the powerpoint slides with your own note-taking.

When I do a derivation or mathematical solution that is particularly important I will typically provide you a handout posted to the course website that details the mathematical steps as well as discusses the implications of this math in an applied economics setting.

The suggested/optional textbook listed in the Purdue details for this course most closely follows the organization/outline we will use for material in the course but I do not assign chapters for reading or

attempt to follow the organization and discussion of that book. Rather, I will draw upon a number of references in lecture and handouts in the course. When warranted, those will be referenced in the course but those references should not be taken as a signal for you to acquire the source material as I am just acknowledging the use of others' intellectual effort. The annotated list below reflects the current list of sources I consider primary references that I have used in developing material for this course.

Course Reference List:

- Bressler, R.G. & R.A. King. 1970. Markets, Prices, and Interregional Trade. John Wiley & Sons, Inc., New York NY.
 - This is a classic textbook in agricultural economics. This book is especially strong in regional and related markets and discussion and examples for that topic area will be used in class.
- Dorfman, J.H. 2014. Economics and Management of the Food Industry. Routledge, New York NY.
 - Discussion and examples for comparative advantage and trade.
- Norwood, F.B. & J.L. Lusk. 2008. Agricultural Marketing and Price Analysis. Pearson Prentice Hall, Upper Saddle River NJ.
 - Much of the organization of the class including basic theory and analysis concepts.
- Rodrik, D. 2015. Economics Rules: The Rights and Wrongs of the Dismal Science. W.W. Norton & Company, New York NY.
 - Discussion of economics and the models used. Provides an outstanding perspective on the 'science of economics' and its use for understanding the world. Excellent discussion of the advantages and limitations of economic modeling.
- Tomek, W.G. & K.L. Robinson. 1972. Agricultural Product Prices. Cornell University Press, Ithaca NY.
 - Supply and Demand Basics.
- Vercammen, J. 2011. Agricultural Marketing: Structural Models for Price Analysis. Routledge, New York NY.
 - Modeling agricultural markets.

Grading and Graded Material

We will have 3 exams, each worth 25% of the final grade. The remaining 25% of your grade will consist of all other graded material (all quizzes, homework assignments, attendance etc.). A final exam will be offered during

Quizzes: Quizzes may be announced or unannounced. They will be short, in-class evaluations of student competency on course learning objectives. They may occur at any time during the semester and during the class period. When attendance is taken (at random) it will count as a quiz score.

Homeworks: Homework assignments are designed to facilitate student learning and preparation for exams. Students will have 2 to 6 days to complete assignments depending on length of the assignment and course timing. Some assignments may require in-class participation to be completed. Some assignments may require cooperation with classmates. Assignments may also incorporate requirements not explicitly stated here but will adhere to University guidelines.

Exams: Exams are given during class time. The schedule for exams is not yet complete but the 3rd exam will be given the Friday immediately prior to Dead Week. The final exam for this class is comprehensive and can be used to replace one of the 3 in-class exams from the semester. The final exam has no grade value other than replacing one of the three midterm exams given during the semester. Those sitting for the final exam will get their lowest exam from the prior 3 replaced. Exam Reviews will be conducted in class and may include the requirement that students submit a review assignment developed to assist study and preparation.

Exam Schedule: The following exam schedule has been set for the spring 2017 semester. Students who know they will have a conflict with a scheduled exam date should make the instructor aware as soon as possible.

Exam 1	–	Fifth week, February 10
Exam 2	–	Tenth week, March 24
Exam 3	–	Friday before dead week April 21
Final Exam	–	During finals week (TBD)

Grading Scale

We will adopt a traditional grading scale for AGECE 220 using the A, A-, B+ framework. The table below is subject to downward revision (minimums for receiving certain grades may be lowered) at the instructor's discretion.

Letter Grade	Scores earning grade (minimum, maximum)
A+	(99,100)
A	(92,98)
A-	(90,91)
B+	(88,89)
B	(82,87)
B-	(80,81)
C+	(78,79)
C	(72,77)
C-	(70,71)
D+	(68,69)
D	(62,67)
D-	(60,61)
F	Below 60

Course Policies

All course policies not enumerated here will be governed by relevant University guidelines and policies found in the appropriate Purdue University documentation.

Attendance: Students are expected to attend all class meetings. Resource limitations preclude taking attendance at every class. Random attendance taking should be expected and will typically result in a quiz grade for those in attendance. From a course policy standpoint, attendance primarily becomes an issue for missed quizzes and late submission of work. Please carefully read the following instructions on procedures to follow for excused absences where the student needs to makeup a missed grade opportunity (please note that this includes not submitting a homework assignment due to absence in addition to missed quiz grades).

Make-up work: Students are allowed 3 makeup grades during the semester. To be eligible for a makeup assignment the student must submit a typed memo (see format at end of this document) detailing the reason for their absence, the assignment or quiz that was missed, and should attach any relevant documentation. Print this and bring two copies to the instructor at the next possible class meeting. One will be kept on file and the other returned to you with my signature approving the makeup work.

Three makeup assignments will be posted during dead week. Students must complete these and submit by the day the final exam is scheduled for this course. Three makeup assignments is a hard limit, if you anticipate missing more class time than this it may be better to take AGEC 220 in a different semester.

Note that during the grade assignment for the course lowest quiz/homework scores may be dropped for students as a means of “curving” the scores upward. The exception to this are zeroes. The only zero grades given in this course are for failure to submit a quiz or homework. Thus, any adjustments to grades that are made to remove lowest will remove the lowest non-zero score you have in that category of work.

Stud. Conduct: Students are expected to respect the rights and learning opportunities of others in the classroom. This includes minimizing/avoiding any type of classroom disruption that may occur through talking with others, arriving late to class, etc.

Acad. conduct: Cheating will not be tolerated. Academic misconduct will be referred to proper campus authority as outlined in University policy. It is not cheating to work with others on homework assignments. That is encouraged and the instructor hopes to foster that kind of horizontal learning and development at every opportunity. Students will be encouraged to disclose the nature of their involvement with others in preparation of homework assignments.

Homework.: Homeworks are to be submitted during class on the due date. It is important to submit homework on-time to maintain progress with the class and so that homework keys can be posted and papers returned. Homework not submitted during class on the due date will be considered missing and falls under the makeup assignment policies listed above. If you know you have an excused absence coming on a homework due date please arrange for submission with a classmate or submit early.

Background Preparation Required for AGEC 220

The goal of AGEC 220 is to provide enough foundational material as part of the course that anyone admitted to Purdue should be able to accomplish the learning objectives at a satisfactory level. Students with previous training or coursework in microeconomics (e.g. AGEC 203 or 204), fundamentals of algebra and calculus, and basics of spreadsheet manipulation will be well prepared for all aspects of AGEC 220. We will review fundamentals of all of these concepts during the semester in the context of developing our basic model of agricultural markets.

Topical Outline

1. Exam 1 Material
 - a. Mathematics review
 - i. Algebra, calculus
 - b. Supply
 - i. Producer optimization
 - ii. Supply response (elasticity)
 - c. Demand
 - i. Consumer optimization
 - ii. Demand response (elasticity)
 - d. Basic Market Equilibrium
 - i. Graphical methods
 - ii. Economic Implications
 - iii. Mathematical and Computational approaches (elasticity)
2. Exam 2 Material
 - a. Market Structure and Performance
 - i. Pure/Perfect Competition
 - ii. Monopoly
 - iii. Between Pure Competition and Pure Monopoly
 - b. Welfare (Well-being)
 - i. Measures (Consumer and Producer Surplus)
 - ii. The 1st Fundamental Theorem (of welfare economics)
 - iii. Second best
 - iv. Implications of market structure for welfare
 - c. Policy under pure competition
 - i. Market interventions
 - ii. Basic tax
 - iii. Basic subsidy
 - iv. Welfare implications
 - d. Advanced equilibrium and welfare in presence of policies (algebraic)
 - i. Incidence
 - ii. Dalton's Law
3. Exam 3 Materials
 - a. Linked/multiple markets
 - i. Factors of production and competition for those
 - ii. Product substitute/complement market linkages
 - b. Trade
 - i. 2 country 2 product and comparative advantage
 1. Discussion: Free lunch or no?
 2. Discussion: Distributional implications of comparative advantage outcome
 - ii. 2 country 1 product model of trade equilibrium
 1. Modeling, solving
 2. Welfare, documenting the gains from trade

Memo – Request for AGEC 220 makeup assignment due to excused absence

Student name:

Date of absence:

Assignment/quiz to be replaced with makeup assignment:

Excuse for absence:

Student signature:

Instructor signature:

- Please remember to bring 2 copies to class; one for the makeup file and one to keep for yourself.
- This memo will be considered a student record for FERPA purposes and thus will be maintained under the same conditions your privacy rights at Purdue require for all submitted work.
- The “excuse” does not need to be described in detail. Just state the simplest form of why you had to miss class (e.g. attended funeral/visitation, job/internship interview, illness, etc.)
- Makeup assignments will be posted during dead week and are due at close of business on the date of the final exam.