

# ECON 307: APPLIED PRICE THEORY

Spring 2023

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<b>Instructor:</b> Henry Thompson	<b>Time:</b> M,W 9:30-10:45AM
<b>Email:</b> <a href="mailto:hathomp@olemiss.edu">hathomp@olemiss.edu</a>	<b>Place:</b> Holman Room 38.

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**Office Hours:** 4-5:30pm on Mondays and Wednesdays in 207 Odom Hall, or by appointment.

## Required & Recommended Texts:

- Leeson, P. T. (2009). *The Invisible Hook*. Princeton University Press. [REQUIRED]
- Allen, D. W. (2011). *The Institutional Revolution: Measurement and the economic emergence of the modern world*. University of Chicago Press. [REQUIRED]
- Alchian, A. A., Allen, W. R. (2018). *Universal Economics*. Liberty Fund. ([Free online version](#)) [Recommended]

**Course Description:** This course helps students develop and apply a toolkit for measuring, explaining, and predicting human behavior. The emphasis of the course is the theory of demand, costs, and pricing decisions. The primary prerequisites for this course are ECON 202, ECON 203. Please note that I reserve the right to make adjustments, within reason, to the syllabus.

**Learning Objectives:** Upon successful completion of the course, the student should understand economics as a method of analysis and how this method can illuminate all human behavior. Through concrete application, the student should be familiar with the basic assumptions and principles of the economic approach, be able to apply the economic approach to a wide range of phenomena, and understand the limitations and criticisms of the approach.

## Grading:

In-class quizzes	20%
Participation	15%
Midterm	30%
Final Exam	35%
Final Grade	100%

**Grading Scale:** A: 100-90. B: 89-80. C: 79-70. D: 69-60. F: Below 60

**In-Class Quizzes:** Short quizzes will be administered at the beginning of each Monday's class. Answers will be graded on a 1-5 scale. To receive full credit, answers must be correct, clear, and demonstrate familiarity with and understanding of the material. There are no make-ups and once collected quizzes will not be distributed to latecomers. The two lowest scores will be dropped at the end of the semester.

**Participation:** Participation in weekly discussions and attendance is mandatory and graded every week. Regular attendance will also benefit your grade because I discuss issues in class that are not in the readings and what I emphasize about the readings may be different than what the authors emphasize.

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**Exams:** There is a midterm (30%) and a cumulative final exam (35%). There are no make-ups.

**Tentative Course Outline:**

- January 23,25: Price Theory Applied—Institutions
  - DA Chapter 1
- January 30,February 1: Micro Review
  - TBD
- February 6,8: Economics of Democracy
  - PL Chapter 1,2
- February 13,15: Economics of Constitutions
  - PL Chapter 3
- February 20,22: Economics of Signalling
  - PL Chapter 4
- February 27,March 1: Economics of Reputation
  - PL Chapter 5
- March 6,8: Economics of Conscription
  - PL Chapter 6
- March 13,15: SPRING BREAK
- March 20,22
  - REVIEW
  - Midterm Exam
- March 27,29: Economics of Signalling II
  - DA Chapters 2,3
- April 3,5: Economics of Contracts
  - DA Chapter 5
- April 10,12: Economics of War
  - DA Chapter 6
- April 17,19: Economics of Police
  - No class April 17
  - DA Chapter 8
- April 24,26: Economics of the Firm
  - PL + DR [“Organizing Crime”](#)
- May 1,3: Economics of Arbitration
  - Thompson, H. (2022). *Cosa Nostra Courts. Working Paper.* (on BB)

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- Final Exam
    - TBD

### **Class Policies:**

1. Electronics: All electronics must remain OFF during class.
2. Academic Integrity: All students are expected to be familiar with and abide by the University's policies on academic integrity and dishonesty as identified in the M-Book, and all students are expected to conform to the University Creed. Cases of academic dishonesty will be punished to the fullest extent possible.
3. Accommodations for students with disabilities: Any student with a documented Student Disability Services accommodation should privately meet with the instructor to identify proper accommodations. This meeting should occur at the earliest possible convenience for both the student and the instructor.
4. Blackboard: The University's Blackboard site will distribute material for the course. Announcements, assignments, and other material related to the course will be posted there. All electronic communication will be sent the student's go.olemiss.edu e-address. Please check Blackboard regularly to remain up-to-date.
5. Covid: If you need to isolate due to contracting COVID-19 at any point this semester, you must do so, and email me as soon as possible. I will work with you to help you continue your progress in the course. I will not be able to provide recordings of class sessions, and we can work together to establish a plan for completing the necessary work. You will have access to your texts, my course content, and our Blackboard course site. More information on isolation protocols can be found at <https://healthcenter.olemiss.edu/covid-19-faqs/>. Follow the most up-to-date guidance from the CDC: <https://www.cdc.gov/coronavirus/2019-ncov/your-health/isolation.html>.