

University of Florida
College of Agricultural and Life Sciences
Food and Resource Economics Department

AEB3103 Principles of Food and Resource Economics

Fall Term 2017

Section: 2518
4 Credit Hours

Tuesday and Thursday 10:40am – 12:35pm
Classroom: Computer Sciences and Engineering (CSE) E119

Instructor and Contact Information

Instructor: Mikael Sandberg, Ph.D.
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Phone: (352) 294-7621
Office Hours: Monday, Wednesday, Friday 10:40 – 11:30am;
Tuesday 1:00 – 3:00pm;
Other times by appointment.
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Many students find that e-mail is an efficient and fast way to ask questions. Please note that I do not utilize the e-mail tool within E-Learning – please use my Gatorlink e-mail for all correspondence. When e-mailing me, please indicate in which class you are enrolled so that I can more effectively address your concerns – I am teaching multiple classes. *Courteous and professional* e-mails can expect a prompt reply. Undergraduate academic advising is handled by Mr. Michael Fitzgerald, see contact information below.

Undergraduate Advisor: Mr. Michael Fitzgerald; 1170 McCarty Hall A; (352) 294-7638;
E-mail: mgfitzgerald@ufl.edu

Teaching Assistants: Ms. Zoi Milonopoulos; 1172 McCarty Hall A;
Office Hours: Monday and Wednesday 10:40am – 12:30pm;
E-mail: zoime@ufl.edu

Mr. Timothy Persaud; 1172 McCarty Hall A;
Office Hours: Monday and Wednesday 10:40am – 12:30pm;
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The instructor reserves the right to change the terms and dates stated in this Course Syllabus at any time. Any changes will be communicated in class, via the Gatorlink e-mail listserv, and posted on E-Learning Canvas. It is solely the student's responsibility to stay informed of any changes.

General Course Information

Textbook: *Microeconomics*, 4th edition, by Paul Krugman and Robin Wells. Worth Publishers. 2015.
ISBN: 978-1-4641-4387-8

- You will need a copy of the book.

E-Learning: There is an E-Learning Canvas web-page for this course. To access E-Learning, you will need your Gatorlink username and password. E-Learning can be accessed via <http://elearning.ufl.edu>. If you are having difficulties accessing E-Learning, please contact the UF Computing Help Desk by calling (352) 392-HELP or via e-mail helpdesk@ufl.edu. You will need your UFID when contacting them. Please note that the E-learning Canvas site might not be operational until the end of the first week of the semester.

Course Description: An introduction to the field of food and resource economics; principles of economics as applied to agriculture; economic problems of the agricultural industry and the individual farmer. (S)

...which means: AEB3103 is a comprehensive microeconomics course - the course is designed to give Food and Resource Economics students a strong foundation in economic theory. The concepts covered are building blocks for more advanced courses within the Food and Resource Economics major.

AEB3103 is not an agricultural course in the traditional sense; rather, it is designed to acquaint students with the 'economic way of thinking' and to familiarize students with the tools of modern economic analysis. These methods will enable students to critically evaluate and analyze economic issues encountered in business, agriculture, politics, and their everyday lives. AEB3103 will thoroughly review the microeconomic fundamentals that govern the theory of the consumer; production economics; economic theory of the firm; the functioning and anatomy of markets; agricultural production and policy; and international trade.

This is an upper-division course and it will be structured and taught accordingly. The rigorous nature of this course and its importance in the curriculum means you should plan on spending on average two hours of studying outside of class for every hour of lecture time. Thus, given that this is a four-credit course, you should plan on spending about eight hours per week studying for AEB3103. During exam weeks the time-commitment will be significantly higher. A lower study input will more than likely adversely affect your grade.

Prerequisites: MAC2233 or MAC2311 (or the equivalent). AEB3103 will be taught with the assumption that all students are comfortable with quantitative reasoning, analytical methods, graphs, and algebra. Previous exposure to economics, however, is not necessary.

Attendance and related issues: Students are assumed to be highly committed academically. We are going to proceed at a rather quick pace. Attending class is a prerequisite for doing well in this course – given the nature and the quantity of material covered, missing class will detrimentally impact your performance. It is further assumed that students will arrive to class on-time. Class will promptly start at 10:40am. Arriving late or leaving early without prior consent is considered unprofessional behavior.

Course Structure and Material Covered

Course Objectives: AEB3103 has seven main course objectives. After the successful completion of this course, students should:

1. ...be able to access economic news and events with greater sophistication;
2. ...understand the microeconomic principles and fundamentals underlying consumer behavior;
3. ...be able to analyze the impact of government policies on consumers and firms;
4. ...understand the effects of international trade on consumers and producers;
5. ...understand the microeconomic principles and fundamentals underlying firm behavior;
6. ...have a broad knowledge of different market structures and how they influence firm behavior;
7. ...have the economic foundations necessary to succeed in the Food and Resource Economics major.

These objectives are accomplished by developing an understanding of...

- ... the basic tools and methodologies of modern economic analysis;
- ... the role of economic institutions;
- ... the dynamics of markets;
- ... the role of supply and demand in price determination and resource allocation;
- ... the nature and implications of elasticity;
- ... the economics behind international trade and commercial interactions between nations;
- ... the microeconomic effects of government policy;
- ... the economic principles behind individual decision making;
- ... the strategic interaction between economic agents;
- ... production theory and the economics behind firm behavior;
- ... the economic principle of profit maximization and how firms achieve this goal;
- ... the specific economic considerations of the agricultural sector.

So What is Economics all About?: Economics is a fascinating discipline to study. However, there are some misapprehensions about what economists actually do. Unlike most business disciplines (such as accounting, marketing, finance, or management) economics does not provide the student with professional skills or step-by-step directions how to complete certain tasks or functions. Instead, economics is about understanding behavior and gaining insight into the world that surrounds us. The strength of economic analysis is its wide-ranging applicability to problems encountered in a variety of fields.

To cope with the complexities of the ‘real world’ and the unique idiosyncrasies of human interactions, economists use models to illustrate (and to understand) behavior. An economic model is an abstract, simplified version of reality where the relevant characteristics are emphasized and immaterial information is removed, i.e., a model removes the ‘clutter.’ The notion of model building is integral to modern economic analysis. A successful economics student is one that realizes the usefulness of economic models and the unique clarity they provide.

Mastering the ‘economic way of thinking’ takes practice, and lots of it! To many students, this is a new approach of viewing the world – an approach that likely will appear frustrating at first, especially in a world where instant gratification is expected and economic “news” and “information” are dispersed at ever increasing frequency from increasingly biased and dubious sources. Economics, however, is more about working with models to gain insight about human behavior than it is to simply keeping up with the latest business headlines. While current events or real world data do provide (some) preliminary ways of assessing the appropriateness of economic models, the central focus of this course is on understanding economic analysis and synthesis. This framework, incidentally, reflects my approach to economics and the way that I teach this course.

Brief Course Outline: Please note that the instructor reserves the right to change this outline at any time. Handouts will be posted on E-Learning Canvas for download. Students are responsible for printing and bringing their own handouts. The material covered in AEB3103 can be divided into four distinct modules.

I. Scope and Methods of Modern Economics

- Introduction: The Ordinary Business of Life
- Chapter 1: First Principles
- Chapter 2: Economic Models: Trade-Offs and Trade

II. Markets and Price Formation: Supply, Demand, and Policy

- Chapter 3: Supply and Demand
- Chapter 6: Elasticity
- Chapter 4: Consumer and Producer Surplus
- Chapter 5: Price Controls and Quotas: Meddling with Markets

III. Extensions of Market Analysis and Policy: International Trade and Agriculture

- Chapter 8: International Trade
- Handout: International Institutions in the Global Economy
- Handout: Agricultural Markets
(From David Colander, *Economics* 9th edition, McGraw Hill. 2013)

IV. Economic Analysis of the Firm and Business Economics

- Handout: Production, Cost, and Profit
- Chapter 11: Behind the Supply Curve: Inputs and Costs
- Chapter 12: Perfect Competition and the Supply Curve
- Chapter 13: Monopoly
- Chapter 15: Monopolistic Competition and Product Differentiation
- Chapter 14: Oligopoly

‘End-of-Chapter’ Review Problems: Each chapter in the textbook is accompanied by numerous study and review problems. The complete solutions and explanations for ALL of these problems are posted on E-Learning (in PDF format) under the ‘Solutions’ tab. Some of these problems may require you to read the chapter before attempting to solve them. Note: these exercises are NOT to be turned in; rather they are assigned to help you learn the material.

Chapter	Page	Recommended ‘Problems’
Chapter 1	23 – 24	2, 4, 5, 6, 9
Chapter 2	46 – 48	1, 3, 5, 11, 13
Chapter 3	99 – 101	1, 2, 3, 4, 6, 7, 8, 11, 16
Chapter 4	127 – 129	1, 3, 6
Chapter 5	155 – 158	1, 2, 3, 5, 9, 10
Chapter 6	183 – 186	1, 2, 4, 5, 8, 16
Chapter 8	246 – 248	1, 2, 5, 7, 8, 10, 11, 13
Chapter 11	352 – 355	2, 3, 4, 10, 11, 15
Chapter 12	381 – 383	1, 3, 6, 7, 11
Chapter 13	415 – 418	3
Chapter 14	441 – 443	1, 3, 5, 6
Chapter 15	462 – 463	3, 4, 5, 6, 8

Evaluation of Performance and Grading

Grades: You have the *opportunity* to earn up to 400 points throughout the semester. Your final grade in AEB3103 will be based on the following:

Sum of highest two	
Mid-Term exams	
(@ 100 points each)	200 possible points
Final Exam	100 possible points
Homework Assignments	100 possible points
TOTAL	400 possible points

Final course grades will have the following benchmarks out of the 400 possible grade points:

A (≥ 372)	C (292 - 307)
A- (360 - 371)	C- (280 - 291)
B+ (348 - 359)	D+ (268 - 279)
B (332 - 347)	D (252 - 267)
B- (320 - 331)	D- (240 - 251)
C+ (308 - 319)	E (≤ 239)

Please note that grades are not ‘rounded’ or ‘adjusted’ at the end of the term. Haggling over grades at the end of the semester is NOT entertained. Of course, if I did a mistake in grading your exam I will gladly give you the correct points. If you believe that your exam is incorrectly graded or that your grade is incorrectly posted, please contact me via e-mail (i.e., in writing) as soon as possible. You have 7 days after the grade has been posted to voice your concern. After 7 days have passed, your posted grade will be assumed to be correct and accurate.

For general information about grading and grading policy at the University of Florida, please refer to:
<http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

Exams: There will be three regular exams (‘Mid-term exams’) offered during the semester for AEB3103. Each exam is worth 100 points. The exams will consist of multiple-choice questions. The exams may be based on material covered in class or material from the book. The exams are rigorous in nature and substantial preparation will be expected and required.

Your *two highest mid-term exam grades* count towards your final course grade for a total of 200 points, see the above rubric (2 exams @ 100 points each). Each exam is scheduled for 70 minutes and will commence at 10:40am. The exam dates are specified in this course syllabus (see next page). There will be no further lecturing on exam days and students are free leave as soon as they complete their exams.

The exams are closed book and closed notes. A simple calculator may be used. However, graphing calculators, cell phones, touch-screen devices, calculators with more than one display row, or other devices with the capability to store formulae are not allowed. This policy will be STRICTLY enforced during exams. Sharing calculators during an exam is not allowed. Thus, if you do not own a simple calculator, you will need to purchase one. If you are unsure whether or not your calculator is acceptable for use in AEB3103, please consult with your instructor as soon as possible.

Final Exam: A **comprehensive mandatory Final Exam** is given during the final exam week, **Monday December 11 at 7:30am (!)**. Please make note of the date and the time. The Final Exam will consist of multiple-choice questions. The Final Exam is given in our regular classroom and will last for two hours. All students are required to take the Final Exam and it will count as 25% of your final course grade, regardless of your performance on the previous three exams. The Final Exam cannot be dropped. Early or late exams are not given. Please plan accordingly.

Exam Dates:

Mid-term Exam 1:	Tuesday September 26 at 10:40am
Mid-term Exam 2:	Thursday October 26 at 10:40am
Mid-term Exam 3:	Thursday November 30 at 10:40am
Final Exam:	Monday December 11 at 7:30am (!) (Please note the date and time of the Final Exam)

The instructor reserves the right to change these dates as appropriate. Any changes will be communicated on E-Learning and via the Gatorlink listserv.

Make-Up Exams: Make-up exams are not given. Should you miss any of the mid-term exams, that exam score is simply dropped (i.e., your two highest mid-term grades count in the calculation of your final course grade). This policy applies regardless of reason for missing a mid-term. Should you miss the Final Exam for any reason, you will graciously be given a grade of I ('incomplete') for the course and you may be given the privilege of taking the Final Exam at the end of the following term AEB3103 is offered – i.e., at the end of Spring 2018.

University athletes are allowed to make-up exams missed due to official university sporting events pending ample written notification in advance (at least 7 days prior to a scheduled exam).

Exam day policy: It is expected that all students be on time to exams. Please arrive early, if possible, to get seated and get your books/bags stowed away so that the exam can be started on the stated time. If you need to use the bathroom, please do so before the exam begins. Students are not allowed to leave the classroom during exams and re-enter the classroom. No one will be allowed to enter the classroom to begin the exam after the first student has turned in their finished exam. This policy also applies to the Final Exam.

Homework Assignments: There will be six take-home homework assignments throughout the semester. Each homework project will be worth 20 points. Your lowest homework score will be dropped; thus only your five highest homework scores will count towards your course grade. For your final course grade, a total of 100 points will be allocated to homeworks. These projects will be announced in class and will be posted on E-learning at least 5 days prior to their due date. These are individual assignments – submitting an identical assignment to someone else in class, or an assignment that is “too similar for comfort” to some other student’s will be considered cheating and will be treated as such! All assignments must be typed – further information will be provided in class. Since you are generously allowed to drop your lowest homework score, late homework submissions are not accepted and there are no make-up opportunities given. If you need to miss class on the due date, you must turn in your homework early (or have it turned in by a friend).

Professional Etiquette: In order to provide a productive environment conducive to everyone's learning, adherence to the following guidelines is expected:

- No txtng, web surfing, or any other use of cellular devices is permitted or tolerated in class;
- You should discontinue the use of any tablets, laptops, cell phones, and touch-screen devices before the lecture begins. Please silence your device;
- Students are expected to be on-time for class. It is disruptive when students arrive late – not to mention disrespectful to myself and your fellow students;
- Leaving class early without prior permission is not tolerated;
- You should avoid talking amongst each other once the lectures begin (this includes conversations about the material and the class itself). Please raise your hand if you have any questions;
- While laptops, tablets, or similar devices are wonderful study tools, they are not allowed in class (not even for note-taking). Please respect this request. Exceptions will be made with proper documentation from the Disability Resource Center.

If you cannot comply with these simple expectations, you may be asked to leave the classroom and you will be counted as absent. The instructor reserves the right to penalize any student violating these rules by deducting points from the student's grade as appropriate.

Other Important Information

Students are responsible for all deadlines/critical dates and policies set forth by the University of Florida. Deadlines/critical dates are published on the University of Florida Office of the University Registrar's web-site, <http://www.registrar.ufl.edu/>. Current academic policies are presented in the University of Florida Undergraduate Catalog, <https://catalog.ufl.edu/ugrad/current/Pages/home.aspx>. Please familiarize yourself with this information.

Students Requesting Classroom Accommodation: The Disability Resource Center coordinates the needed accommodations of students with disabilities. This includes registering disabilities, recommending academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services, and mediating faculty-student disability related issues. Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester. This must be done at least 10 days prior to any accommodation is needed.

UF Counseling Services: The life of a college student can sometimes be overwhelming. Resources are available on-campus to help students manage personal issues or gain insight into career and academic goals. Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university's various counseling resources. The following resources are available for all UF students:

- For general student affairs: Dean of Students Office, 392-1261 (after hours, please call 392-1111);
- For mental health consultations: Counseling & Wellness Center, 392-1575 (24/7 phone access);
- For students experiencing distress: U Matter, We Care, 294-2273, www.umatter.ufl.edu;
- For physical health consultations: Student Health Care Center, 392-1161;
- For victims of sexual assault: Office of Victim Services, 392-5648 (after hours, please call 392-1111);
- For career guidance: Career Resource Center, 392-1602, www.crc.ufl.edu.

Software Use: All faculty, staff, and students of the University of Florida are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

Academic Honesty: In 1995 the UF student body enacted an honor code and voluntarily committed itself to the highest standards of honesty and integrity. When students enroll at the university, they commit themselves to the standard drafted and enacted by students. In their words, **the Honor Code Preamble:** In adopting this honor code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the university community. Students who enroll at the university commit to holding themselves and their peers to the high standard of honor required by the honor code. Any individual who becomes aware of a violation of the honor code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon community acceptance and enforcement of the honor code.

The Honor Pledge: We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

On all work submitted for credit by students at the university, the following pledge is either required or implied: **"On my honor, I have neither given nor received unauthorized aid in doing this assignment."** The university requires all members of its community to be honest in all endeavors. A fundamental principle is that the whole process of learning and pursuit of knowledge is diminished by cheating, plagiarism and other acts of academic dishonesty. In addition, every dishonest act in the academic environment affects other students adversely, from the skewing of the grading curve to giving unfair advantage for honors or for professional or graduate school admission. Therefore, the university will take severe action against dishonest students. Similarly, measures will be taken against faculty, staff and administrators who practice dishonest or demeaning behavior.

Student Responsibility: Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court.

Faculty Responsibility: Faculty members have a duty to promote honest behavior and to avoid practices and environments that foster cheating in their classes. Teachers should encourage students to bring negative conditions or incidents of dishonesty to their attention. In their own work, teachers should practice the same high standards they expect from their students.

Administration Responsibility: As highly visible members of our academic community, administrators should be ever vigilant to promote academic honesty and conduct their lives in an ethically exemplary manner. This policy will be vigorously upheld at all times in this course.

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Any instances of academic dishonesty will be reported to Student Judicial Affairs.

By enrolling in this course you are agreeing to the terms outlined in this syllabus.

I wish everyone a rewarding and productive semester ☺

GO GATORS!!!