

Economics 301
Intermediate Microeconomic Theory
Spring 2011
MWF 11:00 – 11:50am
111 Bryan Building

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Office Hours: Monday & Wednesday 1:30 - 3:00pm or by appointment

Recommended Text: *Microeconomics* by Robert S. Pindyck and Daniel L. Rubinfeld

Note: The text is a reference, not a substitute for lectures! The best use of the text is to read the relevant material before lecture. The problems at the end of the chapters are also useful for practice problems beyond those assigned in class.

Course Description:

The purpose of this course is to explore the foundations of microeconomic theory, focusing on the behavior of households, firms, and the interaction of these agents in the marketplace. The organization of markets and its implications for firm behavior are also examined. Moreover, the process by which these markets reach equilibrium is explored.

The principles covered in this course are building blocks. These building blocks can and will be used to analyze many specialized topics. This material cannot be learned passively. Active thinking and problem solving are essential. *Microeconomic theory is a tool learned only by use!*

Course Objectives:

By the end of the semester, you should be able to understand:

1. Consumer theory: How households make decisions in the face of scarcity and how these decisions vary in response to changes in the economic environment.
2. Firm theory: How firms make decisions in the face of scarcity and how these decisions vary in response to changes in the economic environment.
3. The organization of markets: How perfectly competitive, monopolistic, monopolistically competitive, and oligopolistic markets are organized and the outcomes of these markets.

Note on the Content of this Course Syllabus:

I view the information on this syllabus as a contract between me and my students. I try to be very clear about my expectations and policies so that everyone knows the basic rules and we all go home happy every Monday, Wednesday, and Friday and, ultimately, at the end of the semester. Please read the following carefully.

Class Conduct:

I expect *regular* attendance. This is **not** the type of class you can skip, expecting to “cram” the week before the exam. The material is difficult and cumulative, so missing even one class could be detrimental. Moreover, I expect you to come to class prepared. You should read the relevant material *before* I cover it in lecture and come to class ready to work out problems and ask questions. Make the best use of your time! Come to lecture prepared to take an *active* part in your learning. I strongly encourage and welcome questions. No questions will be regarded as stupid.

Lateness will not be tolerated. I am aware of the parking problems on campus. However, it is your responsibility to arrive no later than 11am (according to the clock on the classroom wall).

Do not talk to your neighbors during class. It distracts the students around you, and it distracts me. **It will not be tolerated.**

Please make sure that all cell phones are shut off during class. Texting during class is not permitted. If I see you texting, I reserve the right to ask you to leave the room.

Laptops are not permitted in class. I strongly believe that you will learn more in this class by taking notes with pen/pencil and paper. Moreover, internet surfing during class is not allowed.

Expectations:

I want to make it known up front that I expect you to spend a *minimum* of 6 hours each week reading, reviewing, and completing homework assignments outside of class. If this is not feasible for you given your other time commitments, perhaps this is not the class for you.

Grades:

Your final grade will be determined based on your performance on the following:

Problem sets		10%
Quizzes		15%
Exam I	(February 21, in class)	25%
Exam II	(April 4, in class)	25%
Final Exam	(April 29, 8-11am)	25%

The actual letter grade you earn in this course will be based on a grading scale to be determined *after* the final exam. This scale may or may not resemble the 10-point scale that many of you are used to (*e.g.*, 90-100% is some sort of A, 80-89% is some sort of B, etc...) because I reserve the right to curve.

Problem Sets:

There will be approximately 8 problem sets throughout the semester. I will assign a problem set one week before it is due and will collect it at the beginning of class on the assigned day. **Under no circumstances will late homework be accepted.** If you anticipate missing class that day, you must get the assignment to me before the start of class. This can be accomplished by leaving the assignment in the bin outside my office door. I will post an answer key on Blackboard to the assignment on the day the assignment is due. Please review this key and come to the next class prepared to ask any questions you may have. Working through the homework problems thoroughly and completely is the best way to learn this material. Often, understanding comes through struggle on these assignments. I encourage you to work in groups on these assignments. However, all submitted work must be your own. (Do NOT just copy down answers from a friend! If I see/suspect/discover that this is occurring, I reserve the right to assign all parties involved an F for that assignment.) *I drop the lowest homework score.*

Quizzes:

There will be approximately 5 pop quizzes throughout the semester. *The lowest quiz grade will be dropped.* **Under no circumstances will make-up quizzes be given.** Therefore, class attendance is important.

Exams:

There will be no make-ups for the first two exams. If you miss either exam and present me with an **approved** excuse *in advance*, I will redistribute the weights of the other exam and the final. That is, the other mid-term will count as 35% of your grade and the final will count as 40% of your grade. You will receive a failing grade on any exam that is missed without an approved excuse in advance. The final exam will be given only on the date scheduled by the University.

Academic Integrity Policy:

Students are expected to know and abide by the Honor Code in all matters pertaining to this course. Violations of this code will be pursued in accordance with the code. The link to UNCG's academic integrity policy is:

<http://academicintegrity.uncg.edu/complete/>

Faculty and Student Guidelines

Please familiarize yourself with the Bryan School's *Faculty and Student Guidelines*. These guidelines establish principles and expectations for the administration, faculty, staff, and students of the Bryan School of Business and Economics. The link for this document is

http://www.uncg.edu/bae/faculty_student_guidelines.pdf

Course Outline:

- I. Introduction (Chapters 1, 2, and pages 326-332)**
 - A. Definition of economics
 - B. Why study economics?
 - C. Marginal analysis
 - D. Supply and Demand Analysis
- II. The Consumer's Problem (Chapters 3 & 4)**
 - A. Basic Consumer Theory
 - B. Comparative Statics~ Changes in the economic environment
 - C. Using Consumer choice theory
- III. The Theory of the Firm (Chapters 6 & 7)**
 - A. Production
 - B. Costs
 - C. Profit Maximization
- IV. The Organization of Markets (Chapters 8, 9, 10, 11 & 12)**
 - A. Perfectly Competitive Markets
 - B. Monopoly
 - C. Monopolistic Competition
 - D. Oligopoly