

Econ 3070-002 – Intermediate Microeconomics

Course & Instructor Information

Course Meets 01/12/2003 - 04/30/2002

Mon, Wed, Fri: 12:00 pm – 12:50 pm, Room: Econ 119

No Class: Mon, Jan 19 (MLK day) and MWF, Mar 22-26 (Spring Break)

Course Website: www.colorado.edu/Economics/courses/mobarak

Prerequisites: Econ 1000 (Intro to Econ) or Econ 2010 (Principles of Microeconomics) and {Math 1300 or Econ 1078+Econ 1088 or equivalent}.

You must be familiar with basic **calculus** to take this course. You also have to be very comfortable with algebra.

For Drop/Add Deadlines, see the course schedule.

Instructor: A. Mushfiq Mobarak, Assistant Professor, Department of Economics

Office: Economics Building (256 UCB) – Room 4D

Phone: 303-492-8872 (off)

Email: mobarak@spot.colorado.edu (preferred method of contact)

Office Hours: Mon 11:00-11:50am, Wed 1:00 pm - 2:00 pm

Text

Required: Hal Varian, *Intermediate Microeconomics: A Modern Approach*, 6th Edition, W. W. Norton & Co., 2002.

The exams will be based on the class lectures. The lectures will roughly follow the textbook as indicated in the schedule of topics below, but sometimes the lectures will go beyond what is covered in the text. Conversely, the lectures often will not cover everything that is in the assigned chapter. Attending class and taking good notes is therefore very important.

Course Objectives & Description

This is *the* core theory course in economics. The main topics covered are consumer theory and producer theory. We will develop models to understand the way consumers and firms make decisions and how they interact in the market. The optional topics we will discuss (topics that are not necessarily a part of Intermediate Micro courses taught by other professors) include game theory, decision-making under uncertainty and the theory of externalities.

Expectations

As with many other courses in economics, this course will be technical in nature. I will expect you to have a solid background in algebra and be familiar with basic calculus. Since you may have to answer essay-type questions in exams, I will also expect you to write coherent and grammatically correct English. If you are uncomfortable about your background in algebra, calculus, or about your English writing skills, please do some reviewing or seek some external help now.

Grading

There will be three exams, two homework assignments, and an in-class exercise. The following weights will be used to compute your final grade:

Exams (20% each)	60%
Homeworks (10% each)	30%
In-Class Problem Solving	5%
Class Participation	5%

You will be required to do a lot of mathematical, graphical and applied problem-solving in the exams and homeworks. You can help your class participation grade by attending class and by contributing to the discussion in class (e.g. by attempting to answer questions I ask during lectures). I will sometimes pass around a sign up sheet to take note of attendance. I will review before exams, but do not view this as a substitute to attending lectures. It won't work. For the "in-class problem solving", you will break up into groups to solve problems I assign based on our discussions in class.

Policies

There is absolutely no make-up for any exam unless there is a proven emergency that prevents you from attending class on the scheduled exam or quiz date. You are required to submit proof of the emergency. If you miss the exam or quiz for any reason that does not qualify as a proven emergency, you get a zero. Homeworks are due at 10:00 am (beginning of class) on the respective due dates. For every day that an assignment is late, your grade will be discounted by 25 percentage points (but you are guaranteed a minimum grade of zero). For example, if you turn in your homework at 11:00 am on the due date, and your homework gets a 90 / 100, it will be recorded as a 65 / 100. If you turn it in at 12:01 am the next day, it will be recorded as a 40 / 100. You can work with your classmates on homework assignments, but each person has to turn in separate work, and you are not allowed to copy someone else's work. If you work with someone else, write down the name of the person at the top of the first page and indicate that you have worked with that person.

If you come late to class or miss class altogether, your class participation grade will suffer. I will take note of attendance at the beginning of class on the days that the homeworks are due. Therefore, it won't pay for you to miss class (or come to class late) just so that you can finish up your homework. The class participation grade depends not

only on regular attendance throughout the semester, but also on your active participation in class discussions. My reading of how much effort you are putting in to the course will also factor in, and so turning in assignments on time is advisable.

University Policies

Students with disabilities who qualify for academic accommodations must provide a letter from Disability Services (DS) and discuss specific needs with the professor, preferably during the first two weeks of class. DS determines accommodations based on documented disabilities (303-492-8671, Willard 322, www.colorado.edu/sacs/disabilityservices)

We will make reasonable accommodations for students who have conflicts between religious observance dates and course examinations or assignments. Please talk to me at the beginning of the semester, if you think you may require such accommodation. For university policies on this and on other things such as classroom behavior, see www.colorado.edu/policies/index.html.

For the university honor code, see www.colorado.edu/academics/honorcode/

Plagiarism is not allowed. This means that you cannot copy anyone else's work and pass it off as your own. In writing the paper, consult multiple sources, so that you avoid copying sections from one particular article or book. For homeworks, you can consult with your classmates, but do not copy from them. Each person must turn in assignments that are the fruit of his/her own sincere efforts.

Schedule of Topics

Dates	Topics	Varian Text
Jan 12	<ul style="list-style-type: none"> • Introduction to Course Topics, Requirements and Policies • Introduction to the Market and Basic Concepts (Demand, Supply, Equilibrium) 	Chap 1
Jan 14, 16	<ul style="list-style-type: none"> • Budget Constraint 	Chap 2
Jan 19, 21, 23	<ul style="list-style-type: none"> • Preferences (Assumptions, Examples, Indifference Curves) • Marginal Rate of Substitution 	Chap 3
Jan 26, 28, 30	<ul style="list-style-type: none"> • Utility 	Chap 4
	Homework 1: Assigned Jan 30, Due Feb 6	
Feb 2, 4, 6	<ul style="list-style-type: none"> • Choice 	Chap 5
Feb 9, 11, 13, 18	<ul style="list-style-type: none"> • Demand (Normal, Inferior goods, substitutes, complements) • Review for Exam 	Chap 6
Feb 16	Exam 1: Feb 16	
Feb 18, 20, 23, 25	<ul style="list-style-type: none"> • Slutsky Equation <ul style="list-style-type: none"> - Income Effects - Substitution Effects 	Chap 8
Feb 27, Mar 1, 3	<ul style="list-style-type: none"> • Inter-temporal Choice <ul style="list-style-type: none"> - Inter-temporal budget constraint and preferences - Present Value Calculations 	Chap 10
	Homework 3: Assigned Mar 3, Due Mar 10	
Mar 3, 5, 8	<ul style="list-style-type: none"> • Choice Under Uncertainty (Risk, risk aversion, Expected utility) 	Chap 12
Mar 8, 10, 12	<ul style="list-style-type: none"> • Market Demand and Equilibrium 	Chap 15,16
Mar 15	Exam Review	
Mar 17	Exam 2: Mar 17	
Mar 19	<ul style="list-style-type: none"> • Production Technology 	Chap 18
Mar 29, 31	<ul style="list-style-type: none"> • Profit Maximization 	Chap 19
Apr 2, 5	<ul style="list-style-type: none"> • Cost Minimization and Cost Curves 	Chap 20, 21
	Homework 2: Assigned Apr 2, Due Apr 9	
Apr 7, 9	<ul style="list-style-type: none"> • Firm and Industry Supply 	Chap 22, 23
Apr 12, 14, 16	<ul style="list-style-type: none"> • Game Theory and Strategic Behavior 	Chap 28
April 19, 21	<ul style="list-style-type: none"> • Monopoly Behavior • Exam Review 	
	Exam 3: Apr 23	
Apr 26, 28	<ul style="list-style-type: none"> • The Theory of Externalities • In-Class Problem Solving Exercises – Part 1 	Chap 33
Apr 30	<ul style="list-style-type: none"> • Applications of Game Theory • In-Class Problem Solving – Part 2 	Chap 29