

Department of Economics
Intermediate Microeconomic Theory
Fall Semester 2004

Economics 3070-003, and 3070-006

Instructor: Rachael Small

Office: Economics 4C (lower level)

Office Hours: 11am-12pm Tuesday, 1-1:50pm Thursday and by appointment

Tel: (303) 492-3827-leave message – I only receive these on TR.

E-mail (preferred means of communication): R.Small@Colorado.edu

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

Course Description:

The subject matter for intermediate microeconomic theory is the basis for almost everything economists do. This course is concerned with the behavior of individual economic units, (the firm, the industry, and the individual) and their interactions with one another. You will learn how individual economic units make decisions, and how markets work. In addition to an initial review of basic supply and demand, the course is divided into four sections. The first deals with consumer behavior and market demand. We show how consumers make optimal choices, how individual demand is formed, and how market demand is derived. Part two covers technology, production costs, production functions, and cost minimizations methods. Part three covers the various market structures, price and output determination, and optimal business strategies for those market structures. Part four discusses economic efficiency and public policy issues. However, throughout the course we will be focusing on public policy issues to answer applied problems.

Prerequisites:

Econ 1000 or Econ 2010, *and* either Econ 1078-1088 or Math 1300 or equivalent. You will need to be familiar with basic calculus. We will also solve some constrained optimization problems.

Required text:

Microeconomics eleventh edition, by Edwin Mansfield and Gary Yohe.

Supplemental material – (not required): *Microeconomic Problems, Case Studies and Exercises for Review*, eleventh edition by Edwin Mansfield and James Peoples.

Class requirements: Please select a regular seat in this class. I will use a class-seating chart in order to get to know you better. Come to class prepared to participate, and to put problems on the board when requested. We are all here to learn from one another (yes, I also learn from you), and to exchange ideas. The class format will be lecture, often using an applied problem, followed by discussion and student problem solving in groups. You are encouraged to form study groups to discuss homework and lecture materials.

Study tips:

- Read the assigned materials before each class so that you are prepared when you come to class.
- After class, review your notes within one day, and write your questions down to ask during the next class. Make sure you get questions answered before we move on to new material
- Do the assigned homework problems, and extra problems time permitting.
- If you make errors on the homework assignment, seek help immediately to resolve anything you don't understand. Do not let errors on homework pile up.
- Make a friend or friends in class with whom you can study and do homework.

Grading:

Homework	10%
Class participation	10%
2 mid-term exams @25% each*	50%
Final exam (comprehensive)	<u>30%</u>
Total	100%

*An optional test will be given and the lowest score from the optional and two mid-term exams will be dropped. **No make-up tests will be given for any reason.** The optional test is used as a make-up exam, and by those wishing to drop their lowest score. It is not a mandatory exam.

Homework Assignments:

Homework assignments are posted to the website before the start of each chapter. There will be a homework assignment for each chapter covered in class. Answers will be posted to the course website after the completion of each assignment. Please feel free to prepare homework in groups. However, each individual must hand in his or her own homework. ***These problem-solving assignments form the core of the learning format of this class.*** As an incentive, you will be given one point for each of ten homework assignments handed in. I will not grade the accuracy of these assignments, but merely give you credit for attempting to complete them as best as you can. It is up to you to check the website to ensure that you answered the questions correctly. It is up to you to seek help (from me or anyone) if you find you are not completing the problems accurately. I will answer questions pertaining to homework assignments on the day those assignments are due. You may also ask questions during my office hours.

Exams:

All exams will be a combination of multiple choice and problem solving. Many questions will be taken from homework assignments, end of chapter questions, class discussions, and relevant articles I post on the website.

Final Exam for Section 006 meeting TR 9:30 am is on Monday Dec 13 at 10:30am
Final Exam for Section 003 meeting TR 2:00pm is on Tuesday Dec 14 at 7:30am
All exams are held in our regular classroom.

Course Outline – see below

Course Outline:

As the course progresses changes will be announced in class, and on our website.

Date	Topic	Chapter
Aug 24,26	Introduction	Chapters 1
Aug 31, Sept 2	Consumer Tastes and Preferences	Chapter 2
Sept 7,9	Consumer Tastes and Preferences	Chapter 2
Sept14, 16	Consumer Behavior	Chapter 3
Sept 21,23	Consumer Behavior	Chapter 3
Sept 28	Mid-Term 1	Chapters 1-3
Sept 30	Fall Break	No Class
Oct 5,7	Derivation of Market Demand	Chapter 4
Oct 12,14	The Firm: Its technology and costs	Chapter 6
Oct 19,21	Optimal Input Combinations	Chapter 7
Oct 26,28	Perfect competition	Chapter 8,9
Nov 2	Mid-term 2	Chapters 4,6,7,8,9
Nov 2,4	Monopoly	Chapter 10
Nov 9	Monopolistic Competition	11
Nov 11,16	Oligopoly and Game Theory	Chapter 12
Nov 18,23	General Equilibrium Analysis	Chapter 16
Nov 25	Thanksgiving	No Class
Nov 30	Optional Mid-term	Chapters 10,11,12,16
Dec 2,7	Public Goods, Externalities, and the Role of Government	Chapter 18
Dec 9	Review	Last day of class

Students with Disabilities:

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services (DS) early in the semester so that your needs may be addressed. DS determines accommodations based on documented disabilities (303-492-8671), Willard 322,

Religious observances:

Campus policy states that every effort shall be made to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. Students should notify the instructor of anticipated conflicts as early in the semester as possible so that there is adequate time to make necessary arrangements. The full text of the Boulder campus policy is available at http://www.colorado.edu/policies/fac_relig.html