

Intermediate Microeconomics

Spring 2012

Professor Yongmin Chen

Office: Econ 112

Class Time and Location: 9:30-10:45, TR; ECON 119

Office Hours: 2:00-5:00 PM on Tuesdays

Website: <http://spot.colorado.edu/~cheny/>

Course Description: This course studies the behavior of individual economic agents and their market interactions. The course is roughly composed of four parts. Part 1 introduces the basics of microeconomic analysis, and serves as a quick review of some basic economic concepts. Part 2 studies consumer behavior and market demand. We will show how a consumer may make optimal choices, how individual demands are formed, and how market demand can be derived. Part 3 discusses the firm's technologies, production functions and production costs. We shall see how firms can make the optimal input choices to minimize production costs. This lays the foundation for the study of behavior of firms under different forms of market structure. Part 4 integrates the previous material into models of prices and outputs. Topics in game theory and business strategies will be covered. Economic efficiency and public policy issues will also be discussed.

The presentation of the course is at the intermediate level. **In order to take this course, you must have passed an introductory course in economics or microeconomics, and be familiar with calculus.**

Course Materials: The textbook is *Microeconomics, 4th edition*, by David Besanko and Ronald Braeutigam, published by John Wiley & Sons, Inc. I will indicate the required readings below.

Grading: Grades are based on homework and class attendance (10%), two midterm exams (25% each), and a final exam (40%). **You are required to attend all classes.** If you must miss a class, please inform me in advance. You are encouraged to form study groups to discuss homework and lecture materials. All exams will be in closed-book forms.

How to Study effectively in this Course: I suggest that you **read the assigned materials before each class**, so that you are prepared when you come to classes. After each class, I suggest that

you **have a quick review within one day**. If you have questions, try to have them answered before we move on to new materials. I encourage you to ask questions during class, which would help other students.

The course materials are arranged by topics, and each topic is usually covered over several lectures. There is a homework assignment for each topic, which is due at the beginning of the first class for the next topic. You can start working on some problems in an assignment before I finish the topic. Below is a tentative course schedule. There can be changes to this schedule during the semester, which will be announced in class. It is your responsibility to update your information about the course according to announcements made in class.

Course Schedule:

Topics

Readings

1. Introduction to Microeconomic Analysis
Assignment 1: pp. 21-22: #1.2, 1.4, 1.5, 1.9;
pp. 68-70: #2.1, 2.3, 2.5, 2.8, 2.10, 2.14.

Ch 1; Ch 2.

2. Consumer Preferences and Utility
Assignment 2: pp. 100-101: #3.3, 3.4, 3.8, 3.10, 3.12, 3.15, 3.16.

Ch 3.

3. Consumer Choice
Assignment 3: pp. 138-142: #4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.9, 4.18.

Ch 4.

4. Individual and Market Demands
Assignment 4: pp. 180-182: #5.5, 5.6, 5.7, 5.11, 5.18, 5.19.

Ch 5

EXAM 1: Tuesday, February 21, at normal class time.

5. Inputs and Production Functions
Assignment 5: pp. 239-2242: #6.1, 6.2, 6.3, 6.5, 6.7, 6.9, 6.13, 6.15, 6.16, 6.19.

Ch 6.

6. Input Choices and the Cost of Production Ch 7. Ch. 8

Assignment 6: pp. 277-280: #7.1, 7.3, 7.4, 7.5, 7.9, 7.13, 7.20;

pp. 319-321: #8.1, 8.2, 8.5, 8.6.

7. Perfectly Competitive Markets Ch 9, Ch 10

Assignment 7: pp. 378-383: #9.1, 9.3, 9.6, 9.7, 9.11;

pp. 431-434: #10.1, 10.4, 10.7, 10.9, 10.10.

EXAM 2: Thursday, March 22, at normal class time.

8. Monopoly Ch 11; Ch 12

Assignment 8: pp. 511-512: #11.1, 11.2, 11.3, 11.5, 11.13;

pp. 522-525: #12.1, 12.2, 12.3

9. Market Structure and Competition Ch 13

Assignment 9: pp. 564: #13.2, 13.4, 13.5.

10. Game Theory and Strategic Behavior Ch 14

Assignment 10: pp. 597-600: #14.1, 14.2, 14.3, 14.4, 14.12.

11. Risk and Information Ch 15

FINAL EXAM: Saturday, May 5, 7:30-9:00 PM

University Policies

Students with Disabilities

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Center for Community N200, and <http://www.colorado.edu/disabilityservices>.

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>

Religious Observances

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, Please make your requests to me within the first two weeks of the semester. See full details at http://www.colorado.edu/policies/fac_relig.html

Classroom Behavior

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

Discrimination and Harassment

The University of Colorado at Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

Academic Misconduct

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening

behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>