

UNIVERSITY OF COLORADO
Department of Economics
Economics 3070
Intermediate Microeconomic Theory
Spring 2015

Professor: Tania Barham
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Lecture: Tuesday/Thursday 9:30am – 10:45am, MCOL W100
Office Hours: Tuesday/Thursday 1:45-2:45pm in ECON 114
Course Website: <http://www.colorado.edu/ibs/HB/barham/courses/econ3070/>

Course Description

This course introduces the theoretical framework for analyzing the economic behavior of individual decision-makers, such as consumers, workers, firms, and managers. The course is divided into six sections. We begin with a basic review of supply and demand in Section 1. We then proceed to Section 2, which covers consumer behavior and market demand. In this section, we build a model of consumer choice and use this model to derive individual demand and market demand. In Section 3, we turn our attention to the other side of the market and analyze the behavior of firms and market supply. We build a model to show how each firm decides what technology it should use to make its product and what quantity of this product to bring to market. This model is then used to derive the firm's supply curve and the market supply curve. Section 4 brings the two sides of the market together to show how price and output are determined by the market. In Section 5 we will examine a variety of market structures are examined including perfect competition and monopoly. If time permits, we will close the semester by examining some issues such as behavioral economics or public policy.

Prerequisites

Available to students who have completed ECON 100 Introduction to Economics or ECON 2010 Principles of Microeconomics, and either ECON 1078 Math Tools for Economists I and ECON 1088 Math Tools for Economists II, or MATH 1300.

Textbook

The required textbook is *Microeconomics: An Integrated Approach*, 5th edition, by David Besanko and Ronald R. Braeutigam, 2005, John Wiley & Sons, New York, ISBN 978-1-11857227-6. There is a study guide available to accompany the textbook. You may wish to purchase the study guide if you would like extra practice solving problems, but doing so is not required. You can also purchase the 4th edition of the text as they are very similar.

Course Requirements

Attendance for the first three classes is mandatory or you may be dropped from the class. Your participation and attendance grades will be based on random attendance checks throughout the semester and your participation during the class. If you miss a class it is the student's responsibility to catch-up on any missed material.

Required assignments will take the form of 9 problem sets. There will be one midterm and a final exam.

Grading

There will be 9 homework assignments, one mid-term examination and one final exam. The weighting for these assessments are:

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|--------------------------|-----|
| Assignments | 15% |
| Participation/Attendance | 15% |
| Midterm Exam | 30% |
| Final Exam | 40% |

The schedule of when problem sets are due and exams given is below. **The problem sets must be handed in class the day they are due. Late problem sets will receive a score of zero.** Homework solutions will be posted soon after the due date. Students can work on the problem sets in small groups (5 people or less). However, each person **must** submit their own write-ups of their problem sets **and** you must put the names of your group members on your assignment (make sure your name is distinct from the group members so I know who to give the grade to). Handing in identical homeworks is not permitted.

Each assignment will be graded on a scale from 0 to 3: 0 points for not handing it in, 1 point for poor performance, 2 points for average performance, and 3 points for outstanding performance.

Missed Assignments & Exams

Late assignments will not be accepted since solutions will be posted online soon after the assignment is due. You may, however, miss two assignments without penalty since your lowest 2 assignment scores are dropped. You do not need to let me know you are not handing it in for whatever the reason. However, I do not recommend this, as the exams are structured more similarly to homework questions so homework is essential to your success in this class. You may not miss an exam. No makeup exams will be given. If there is a proven emergency or other unusual circumstance, your grades will be reweighed.

Tentative Course Schedule

| DATE | TOPIC | READINGS | ASSIGNMENTS DUE |
|---------|---|----------------|-------------------|
| Jan. 13 | Analyzing Economic Problems | Ch 1 | |
| Jan. 15 | Math Review | A.1-A.7 | |
| Jan. 20 | Supply and Demand Analysis | Ch 2 | PS 0 Math Review |
| Jan 22 | Preferences and Utility | Ch 3 | PS 1 - Ch 1 |
| Jan 27 | Preferences and Utility | Ch 3 | |
| Jan 29 | Consumer Choice | Ch 4 | PS 2 - Ch 2 |
| Feb 3 | Consumer Choice | Ch 4 | |
| Feb 5 | The Theory of Demand | Ch 5 | PS 3 - Ch 3 & 4 |
| Feb 10 | The Theory of Demand | Ch 5 | |
| Feb 12 | Inputs and Production Functions | Ch 6 | PS 4 - Ch 5 |
| Feb 17 | Inputs and Production Functions | Ch 6 | |
| Feb 19 | Inputs and Production Functions | Ch 6 | |
| Feb 24 | Midterm Exam (Ch 1-5) | Ch 6 | |
| Feb 26 | Inputs and Production Functions | Ch 6 | |
| Mar 3 | Costs and Cost Minimization | Ch 7 | |
| Mar 5 | Costs and Cost Minimization | Ch 7 | PS 5 Ch 6 |
| Mar 10 | Cost Curves | Ch 8 | |
| Mar 12 | Cost Curves | Ch 8 | |
| Mar 17 | Perfectly Competitive Markets | Ch 9 | |
| Mar 19 | Perfectly Competitive Markets | Ch 9 | PS 6 - Ch 7/8 |
| Mar 24 | SPRING BREAK | | |
| Mar 26 | SPRING BREAK | | |
| Mar 31 | TBD | | |
| Apr 2 | Perfectly Competitive Markets | Ch 9 | |
| Apr 7 | Perfectly Competitive Markets | Ch 9 | |
| Apr 9 | Competitive Markets: Applications | Ch 10 | PS 7 - Ch 9 |
| Apr 14 | Efficiency of Competitive Mrk | Ch 16.4 | |
| Apr 16 | Monopoly and Monopsony | Ch 11 | PS 8 - Ch 10 |
| Apr 21 | Monopoly and Monopsony Market Structure Give in class exercise to figure out monopoly question | Ch 11, 13.1 | PS 9 - Ch 11 - 16 |
| Apr 23 | Behavioral Economics | | |
| Apr 28 | Review | | |
| Apr 30 | TBD | | |
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| | Tentative Final Exam (Cumulative): May 3rd 4:30pm-7pm. Please check this your self. | | |

University Policies

Students with Disabilities

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services by **January 22nd** so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671 or in person at the Center for Community. University policies regarding disabilities are available at <http://www.colorado.edu/disabilityservices>.

Religious Observances

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict due to a religious obligation, please see me by **January 22nd** so that alternate arrangements can be made. Policies regarding religious practice are available at www.colorado.edu/policies/fac_relig.html.

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>

Discrimination and Harassment

The Office of Discrimination and Harassment can be reach by phone at 303-492-2127. University policies regarding Sexual Harassment and Amorous Relationships are available at <http://hr.colorado.edu/dh/Pages/default.aspx>

Learning Environment

University policies regarding classroom behavior are available at <http://www.colorado.edu/policies/student-classroom-and-course-related-behavior>.