

UNIVERSITY OF COLORADO
Department of Economics
Economics 3070-004
Intermediate Microeconomic Theory
Fall 2009
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Office: Economics 14

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Lecture: Monday, Wednesday, Friday 12:00 pm – 12:50 pm, Econ 117

Office Hours: Monday 10:30 am - Noon, Wednesday 1 pm – 2 pm

Course Website: <http://culearn.colorado.edu/>

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, monopoly, and oligopoly. In section six, we will conclude by examining topics of game theory and issues of risk.

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. If you lack these prerequisites you may be administratively dropped to make room for students that have completed them. The math in this course is substantial and used daily in lecture, homework, and on the exams. If you are concerned about being administratively dropped please talk to me.

Textbook

The required textbook is *Microeconomics: An Integrated Approach*, 2nd edition, by David Besanko and Ronald R. Braeutigam, 2005, John Wiley & Sons, New York, ISBN 0-471-45769-8. 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.

Course Requirements

Attendance for the first three classes is mandatory or you may be dropped from the class.

I will be taking attendance these days. While attendance will not be taken for the other days, it is strongly suggested that you attend all classes since the course material is difficult. Required assignments will take the form of problem sets. Assignments must be handed in during class the day they are due. The 6 problem sets are out of 3 points each. Each problem set 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. The total grade will be taken out of 15 points giving you 3 points padding. Solutions will be posted on the course website shortly thereafter.

There will be 3 midterms and a cumulative final exam. The midterms will each be graded on a 50 point scale. The final will be out of 100.

There will be a few opportunities for extra credit in the form of article analysis (likely 2 or 3). To receive the extra credit you will be required to submit a page and a half of written text summarizing an assigned article and respond to a number of questions relating the article to the class material. Articles will be due in class and you must be present and prepared to discuss them as we talk about them in class.

Grading

Problem Sets 20%

Midterm Exams 18% each

Final Exam 26%

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.**

Students are encouraged to 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.

Missed Assignments & Exams

Late assignments will not be accepted since solutions will be posted online after the assignment is due. You may not miss an exam. If there is a proven emergency or other unusual circumstance that has been discussed with the instructor prior to an exam, an oral exam may be administered covering the relevant material.

Tentative Course Schedule

Week Of	Monday	Wednesday	Friday
Aug 24	Syllabus, Pretest	Ch 1, Math Review	Ch 2: Supply & Demand, Elasticity
Aug 31	Ch 3: Utility	Ch 3: Utility	Ch 3: Utility Ch 4: Consumer Choice
Sept 7	Labor Day	PS 1 Due Ch 4: Consumer Choice	Ch 4: Consumer Choice
Sept 14	Ch 5: Consumer Demand	Ch 5: Consumer Demand	Ch 5: Consumer Demand
Sept 21	PS 2 Due Review	Exam #1	Return Exams Ch 6: Production
Sept 28	Ch 6: Production	Ch 6: Production	Ch 7: Cost Minimization
Oct 5	Ch 7: Cost Minimization	Ch 7: Cost Minimization	Ch 8: Cost Curves
Oct 12	PS 3 Due Ch 8: Cost Curves	Ch 8: Cost Curves	Ch 9: Profit Maximization
Oct 19	Ch 9: Profit Maximization	Ch 9: Profit Maximization	PS 4 Due Review
Oct 26	Exam #2	Ch 10: Competitive Markets	Ch 10: Competitive Markets
Nov 2	Ch 10: Competitive Markets	Ch 11: Monopoly Profits	Ch 11: Monopoly Profits
Nov 9	Ch 11: Monopoly Profits	Ch 12: Price Discrimination	PS 5 Due Ch 12: Price Discrimination
Nov 16	Review	Exam #3	Return Exams
Nov 23	Thanksgiving Week		
Nov 30	Ch 14: Game Theory	Ch 14: Game Theory	Ch 14 Game Theory
Dec 7	Ch 15: Risk Theory	Ch 15: Moral Hazard and Adverse Selection	PS 6 Due Review
	Final Exam: Wednesday Dec 16, 4:30-7pm		

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 may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and <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 Sept. 2nd so that alternate arrangements can be made. Policies regarding religious practice are available at http://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; 303-725-2273). 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 nonacademic 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/>

Sexual Harassment:

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs 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>

Learning Environment:

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, culture, religion, politics, sexual orientation, gender, gender variance, 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