

UNIVERSITY OF COLORADO
Department of Economics

Economics 3070-008
Intermediate Microeconomic Theory
Fall 2009

Instructor:	Wonju Lee
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Lecture:	TR 2:00pm – 3:15pm, ECON 117
Office Hours:	Tue 3:30pm – 5:30pm, ECON 401
Course Website:	CULearn

Course Description

Microeconomics is mainly concerned with the economic behaviors of individual decision-makers, such as consumers, firms, workers, etc. This course introduces the theoretical framework for analyzing them and helps students understanding how economic decisions of individuals are made and how markets work.

The course is composed of three parts, consumer theory (demand), producer theory (supply), and market theory. We begin with a basic review of supply and demand. We then proceed to Section 1 which covers consumer behavior and market demand. In this section, we construct a model of consumer choice and use this model to derive individual and market demand. In Section 2, 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 technology to use and quantity of products to bring to market. We then can derive the firm and the market supply curve. Section 3 brings the two sides of the market together to show how price and output are determined by the market. We will also examine a variety of market structures including perfect competition, monopoly, and oligopoly.

Prerequisites

The prerequisites for this course are:

Economics prerequisites: ECON 1000 or ECON 2010

Mathematics prerequisites: ECON 1078 and ECON 1088, or MATH 1300, or equivalent

The models covered in this course require mathematical techniques, such as calculus and constrained optimization. It will be assumed that every student has working knowledge of calculus. There will be no formal review on calculus.

Textbook

The required textbook is *Microeconomics: An Integrated Approach*, 3rd edition, by **David Besanko and Ronald R. Braeutigam**. 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 Structures

There are four components to the course: **lectures, readings, assignments, and exams.**

1. The lectures will follow the readings in terms of topics covered. However, there may be some material covered in lecture that will not be covered by the readings, and there most certainly will be some material in the readings not covered in lecture.
2. The Readings will be from the required textbook (see below).
3. Assignments will take the form of problem sets. In general, assignments will be available at **CULearn** on Thursday one week prior to due date. The problem sets must be handed in class the day they are due. Solutions will be posted on CULearn shortly thereafter. There will be **6 homework assignments** but only the best **5 will count** toward your grade (i.e the lowest score dropped from the overall grade),
4. There will be **two midterm exams and one final exam.**

Grading

I will calculate your course grade as the **largest number** arising from the following alternative calculated scores. So even if you mess up one midterm, don't worry too much!

Score 1: 25%(Midterm 1) + 25%(Midterm 2) + 30%(Final) + 20%(Problem Sets)

Score 2: 30%(Midterm 1) + 50%(Final) + 20%(Problem Sets)

Score 3: 30%(Midterm 2) + 50%(Final) + 20%(Problem Sets)

Grading Scale:

Your Score	Grade	Your Score	Grade
93-100%	A	73-76%	C
90-92%	A-	70-72%	C-
87-89%	B+	67-69%	D+
83-86%	B	63-66%	D
80-82%	B-	60-62%	D-
77-79%	C+	≤59%	F

Missed Assignments & Exams

Late assignments will not be accepted since solutions will be posted online after the assignment is due. You may, however, miss one assignment without penalty since your lowest assignment scores is dropped.

No makeup exams will be given. And No exam will be given early.

Tentative Course Schedule

Date	Topic	Readings	Assignments
Aug 25	Analyzing Economic Problems	Ch 1	
Aug 27	Supply and Demand Analysis	Ch 2	
Sep 01	Preferences and Utility	Ch 3	
Sep 03	Preferences and Utility	Ch 3	
Sep 08	Consumer Choice	Ch 4	
Sep 10	Consumer Choice	Ch 4	Problem Set 1 Due
Sep 15	The Theory of Demand	Ch 5	
Sep 17	The Theory of Demand	Ch 5	
Sep 22	The Theory of Demand	Ch 5	
Sep 24	Inputs and Production Functions	Ch 6	Problem Set 2 Due
Sep 29	Inputs and Production Functions	Ch 6	
Oct 01	Midterm Exam I (Chs 1-5)		
Oct 06	Inputs and Production Functions	Ch 6	
Oct 08	Inputs and Production Functions	Ch 6	
Oct 13	Costs and Cost Minimization	Ch 7	
Oct 15	Costs and Cost Minimization	Ch 7	Problem Set 3 Due
Oct 20	Costs and Cost Minimization	Ch 7	
Oct 22	Cost Curves	Ch 8	
Oct 27	Cost Curves	Ch 8	
Oct 29	Cost Curves	Ch 8	
Nov 03	Perfectly Competitive Markets	Ch 9	
Nov 05	Perfectly Competitive Markets	Ch 9	Problem Set 4 Due
Nov 10	Perfectly Competitive Markets	Ch 9	
Nov 12	Midterm Exam II (Chs 6-8)		
Nov 17	General Equilibrium Theory	Ch 16	
Nov 19	Monopoly and Monopsony	Ch 11	Problem Set 5 Due
Nov 24	Fall Break		
Nov 26	Thanksgiving		
Dec 01	Monopoly and Monopsony	Ch 11	
Dec 03	Market Structure and Competition	Ch 13	Problem Set 6 Due
Dec 08	Market Structure and Competition	Ch 13	
Dec 10	No Class		
Dec 12	Final Exam (Cumulative) 1:30pm -4:00pm		

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 **at least one full week in advance** so that alternate arrangements can be made. Policies regarding religious practice are available at www.colorado.edu/policies/fac_relig.html.

Classroom Behavior

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, 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. Policies regarding classroom behavior are available 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 Policy on Sexual Harassment and the University of Colorado Policy on Amorous Relationships applies 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 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) 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 non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at www.colorado.edu/policies/honor.html and at www.colorado.edu/academics/honorcode.