

## **Economics 201**

Intermediate Microeconomics  
Fall 2011

Section 01; CRN=12186  
MWF 9:00-9:50am  
216 Buckman Hall

**Instructor** Prof. John Murray  
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Office hours: MW 10:00-10:50 and 1:00-1:50, and by appointment.

**Prerequisite** Economics 100 or equivalent

**Text** Nicholson and Snyder, *Intermediate Microeconomics and Its Application*, 11e  
Katzman, Study Guide for *Intermediate Microeconomics and Its Application*

You might want to look for used copies of the 10<sup>th</sup> edition at Amazon.com or Abebooks.com. If you do this, check with me to get the chapters and problems lined up consistently.

### **Course description**

Intermediate microeconomics is a standard course that examines models from your principles class in some detail. We will derive the demand curve from individual utility functions, consider similarities in models of consumption and other models of production, and combine these into a comprehensive model of general equilibrium. Other topics of interest include efficiency, information, and externalities. Our tools will be simple algebra and graphs. The internal consistency of these models will impress you: a little economic knowledge goes a long way.

Intermediate micro requires a lot of work to learn it well. Your investment of time and effort will be richly rewarded with a thorough understanding of the economic point of view. As in all economics courses, slow and steady wins the race: if you read the text daily, attend each class, and work all the problems in the study guide, you can't help but learn microeconomics well. Cramming tends to impose harsh penalties in economics, but daily study will help reveal the beauties of this particularly applicable body of thought.

You are always welcome to raise questions in class. Any question you ask will also be in the minds of at least 6 of your classmates (a well-known regularity of human behavior). The only stupid question is the one you don't ask. Feel free to drop in on me during office hours or email me to set up a different time to meet if you want help.

### **Grades**

Your grade will be determined by your performance on a midterm (35% of semester grade), a final (45%) and five homeworks (4% each, 20% total) to be assigned throughout the term. Please feel free to visit me at any time with questions about homework problems. Homeworks are due at the beginning of class. No late homeworks will be accepted. Thus, it would be wise to prepare your solutions several days in advance. If you miss the midterm for an acceptable reason, then the final will take on 80% of your semester grade. An acceptable reason will require that you give me a copy of the newspaper obituary or doctor's note. The final exam will be held Tuesday 13 December at 1:00pm. Do not arrange to leave Memphis before the final exam. As the Rhodes College Catalogue reports, "Unexcused absence from a final examination automatically results in failure for the course." Final exam absences will be excused for the same reasons as for the midterm exam.

## **Attendance**

I expect you to attend every class, to enter the room before we start, and not to leave until the class meeting concludes. That said, I will only take attendance for the first couple of weeks until I learn your names. If you miss class, your grade will suffer more or less automatically. If you are unable to attend, get lecture notes from a classmate and see me later about anything unclear.

While in class, you may not use laptops, which are a huge distraction to those behind you. Do not text or check your phone while in class, which is a distraction to me. The logic in this course operates through a bit of algebra and a lot of geometry. You will find it most helpful to take notes with pen/pencil and paper, and later to transcribe them onto a computer.

## **Honor Code**

All the work you hand in for this course is subject to the Rhodes College Honor Code. For the written exams you may be allowed to use a five-function calculator, but you will not be permitted to use a cell/smart phone, laptop, ipad, netbook, or any other electronic device that is programmable or can communicate with other electronic devices. For homeworks, I interpret the Honor Code to mean that you may seek guidance or suggestions from classmates to begin your solution to a homework problem, but no further. Please come see me for additional help. The written work you hand in is to be your own.

## **Note**

Students who have been cleared through the Office of Student Disability Services for special help in class or during tests should see me as soon as possible. Student-athletes with potential schedule conflicts should let me know as soon as possible. Students in the National Guard, reserves, or ROTC who will miss class due to service obligations should also see me.

## **Schedule** (approximate)

Chap. 1: Introduction and methodology. Appendix to Chap. 1 is assumed.

Chaps. 2-3: Utility theory, deriving demand curves, elasticities, consumer surplus.

Chap. 4: Uncertainty and the demand for insurance

4 weeks

Chaps. 6-8: Deriving supply curves; analogy of production to consumption

3 weeks

Chaps. 9-12: Market structures and a first approximation to efficiency

4 weeks

Chaps. 13-16: Potpourri—input markets, information, and externalities

4 weeks

Likely due dates for homeworks: 16 September, 7 October, 28 October, 18 November, 5 December.

Midterm exam: 14 October