

# Intermediate Microeconomics, ECON 201

Syllabus, Fall 2010

12 p.m. MWF (CRN 11050)

Welcome to Intermediate Micro! This is the first semester this course has been offered in its current form at Rhodes College. It is far from the first time such a course has ever been taught, however. Intermediate-level microeconomic theory is the lynchpin to any undergraduate course of study in economics. ECON 101 introduced you to the method of analysis employed by economists and some of the basic tools available to economists to answer some interesting questions. ECON 201 will expand and deepen your toolset so that you can begin to think of your own questions and imagine how you might model them. This course is essential to continued study in upper-level courses one might consider “field courses” in applied microeconomics (e.g., international trade, labor economics, and public economics). ECON 201 is also an important complement, in its increased mathematical rigor, to study of statistical/econometric methods and theoretical game theory.

## Course Objectives/ Learning Objectives

The objectives of this course are primarily:

- (1) To deepen students’ **basic cognitive background** in economic analysis first developed in their introductory economics classes. This background includes not only the terminology and methodology of microeconomic theory, but also the “economic way of thinking” often referred to as economic intuition. One way in which students will deepen their understanding is through increased use of mathematical approaches to modeling.
- (2) To strengthen students’ **understanding of economic principles and theories**. While the modeling process and underlying methodology of economists are essential to students in this course, it is also critical that students come to “own” the central findings/implications/outcomes associated with topics within microeconomics.

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### Instructor:

Sarah M. Estelle, 315 Buckman Hall

Office Hours: Mondays and Wednesdays 2:00-3:30 p.m., and by appointment

Email: [estelles@rhodes.edu](mailto:estelles@rhodes.edu)

### Important Dates:

Wednesday, September 22 at 7 p.m.: Midterm Exam 1

Friday, October 15: No Class

Wednesday, November 3 at 7 p.m.: Midterm Exam 2

Monday, November 22: No Class (Prof. Estelle at Southern Economic Meetings)

Friday, December 10 at 8:30 a.m.: Final Exam

**Required Text:** The assigned text for the course is Microeconomics (7<sup>th</sup> edition) by Pindyck and Rubinfeld. This is a close complement to, not a substitute for, our class discussions. I may also assign other supplementary readings throughout the semester that will, likewise, enrich our in-class experience.

I have chosen this text for many reasons including the number of applications made in the book (especially in the “Example” boxes) and the plethora of good end-of-chapter questions and exercises. Please make extensive use of all of the text’s resources.

**Moodle:** If you have not done so already, please log into Moodle and familiarize yourself with our ECON 201 course page. We will use this technology extensively throughout the semester. I expect that you will check this site several times each week, since I will not necessarily announce in class every detail that appears on the Moodle site.

**Attendance:** There will be three fifty-minute classes each week; these will not parrot the assigned reading. I expect your attendance, and request that you arrive on time and prepared to participate in the class. If you miss a class for some reason, you alone are responsible for obtaining the information you missed from a classmate and seeing me soon thereafter with any questions.

**Course Grade:** Your course grade will be calculated as the sum of your points on two midterm exams, a final, and weekly homework assignments.

	<b>Points Possible</b>	<b>Percent of Total Grade</b>
Midterm I	100	25%
Midterm II	100	25%
Homework	60	15%
Final Exam	<u>140</u>	<u>35%</u>
TOTAL	400	100%

Letter grades will be assigned according to the following scale:

<b>Letter Grade</b>	<b>400-point Scale</b>	<b>Corresponding %</b>
A	372	93%
A-	360	90%
B+	348	87%
B	332	83%
B-	320	80%
C+	308	77%
C	292	73%
C-	280	70%
D+	268	67%
D	252	63%
D-	240	60%
F	239 and below	< 60%

**Homework:** Homework will be assigned frequently (roughly one assignment per week). Each assignment must be turned in by 1:00 p.m. on the day it is due so that I can return it to you in the following class period. Homework must be submitted on college-ruled paper (loose-leaf or spiral bound with uneven edges removed) if hand-written and/or white office paper if computer generated. Pages should be stapled together *before* coming to class.

If you anticipate missing class the day homework is due, you must get the assignment to me by the deadline just the same. This can be accomplished by leaving the assignment in the bin outside my office.

Working through problems (assigned, recommended, or otherwise) thoroughly and completely is the best way to learn this material. I encourage you to work in groups throughout your study for this course, including these assignments. However, the final work you submit for assignments must be entirely your own.

**Midterm Exams:** **Midterm exams will be administered outside the regular class time.** These dates/times will not change, so write them on your calendar now and plan around them. If you are unable to take one of the midterm exams at the scheduled time because of a mandatory intercollegiate competition or course requirement, please see me before 3:30 p.m. on **Friday, August 27**. We will arrange for a time when you can take the exam *before* the scheduled exam time with which you have a conflict.

In the case of severe illness or death of a family member, please notify me of your situation (in advance unless it is an extreme and unforeseen emergency), and I will allow you to drop the exam. In this case the final will be reweighted to bring your total possible points to 400.

**Final Exam:** The final exam will take place during the scheduled exam period (**Friday, December 10 at 8:30 a.m.**). The exam will be comprehensive but place greater weight on the material not tested on the midterm exams.

**Academic Support:** Students who wish to discuss individual accommodations for disabilities as recommended by the **Office of Student Disability Services** (x3994, e-mail: [mccowenm@rhodes.edu](mailto:mccowenm@rhodes.edu)) should see me during office hours as early in the semester as possible.

Hunter Chandler is the **peer tutor** for our class this semester. He will hold weekly "office hours" from 8 to 9:30 p.m. on Mondays and Wednesdays in Buckman 103.

**The Honor System:** I take the Honor Code seriously. I trust that students in this class will be truthful in their dealings with me and will not cheat on their assignments and exams. In the unlikely event that one of you observes an incidence of cheating, I assume you will report the violation to a member of the Honor Council.

**Plagiarism:** According to the Honor Council Constitution, "Plagiarism is an act of academic dishonesty. A student must not adopt or reproduce ideas, words, or statements of another person without appropriate acknowledgment." Please consult the staff at the Writing Center or me if you have questions on citing sources in your coursework.

### Tentative Course Outline\*

I. Introduction and Review – Microeconomics and Markets	Chapters 1 and 2
II. The Consumer’s Problem	Chapters 3 and 4
A. Consumer Theory Framework	Appendix 4
B. Consumer Choice – Graphical and Mathematical	Chapter 5
C. Deriving the Demand Curve	
D. Substitution and Income Effects	
E. Uncertainty and Choice	
III. Production Theory and Competitive Markets	Chapters 6 and 7
A. Production	Appendix 7
B. The Costs of Production	Chapters 8 and 9
C. Basic Theory – Cost Minimization and Profit Maximization	
D. Perfect Competition	
E. Welfare Analysis in Competitive Markets	
IV. Noncompetitive Markets and Market Failure	Chapters 10 through 12
A. Monopoly Power and Price Discrimination	Chapter 18
B. Monopolistic Competition	
C. Oligopoly	
D. Externalities and Public Goods	

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\*NOTE: More specific reading assignments (with precise dates) will be made on the course Moodle site for your convenience and continual reference. Both reading assignments and the course outline are **subject to change**.