

Economics 201.10J
Tuesday/Thursday 10:00-11:15 a.m.
Intermediate Microeconomics
Fall 2009

Instructor: Dr. Frank Maddox
318 Seney Hall
Phone: 784-8357
Office Hours 3:15-4:00(M/W); 1:30-2:15 (T/Th)
Updated: Sept 2, 2009

Course Description: Econ 201 deals with contemporary microeconomic theory. Building upon concepts developed in the principles level course, Econ 201 formalizes the theory using mathematical as well as graphical analysis. The course is designed for students who wish access to material covered in higher level micro or business school courses; Econ 201 is typically taken by students who intend to take a variety of upper level economics courses such as international trade theory, labor economics, etc. Students who pursue a business curriculum will find that microeconomics provides the theory for many approaches to decision-making in the business environment.

The course opens with a review of the market mechanism familiar from the principles course in micro. Next, a model of consumer behavior is generated to provide the basis for the demand curve of the market mechanism. This consumer model, which is based upon the utility maximization principle, is presented graphically using indifference curve analysis.

The behavior of firms is examined next. The short-run production function and resultant cost function of the firm is examined in detail. The four industry models of perfect competition, monopolistic competition, oligopoly, and monopoly are examined. In all cases the behavior of the firm is postulated given the assumption of a profit maximization motive. The long-run behavior of perfectly competitive firms is examined in order to construct the market supply curve of the market mechanism. Alternative motives to short-run profit maximization are explored. Oligopoly models of strategy provide a departure from graphical analysis; students will explore game theory and other techniques for modeling strategies resulting from mutual interdependence of firms.

General equilibrium analysis allows the student to observe the interdependence of the different markets examined in isolation during the semester. Finally, resource markets are examined with special emphasis upon labor markets.

Course Objective: The goal of Econ 201 is to develop a framework of analysis for understanding the behavior and outcomes resulting from activity in individual markets. Students will manipulate graphical and mathematical models that allow a more precise

analysis than was possible at the principles level. The course will provide the student with analytical tools necessary for higher level courses that employ microeconomic theory.

Method of Instruction: Econ 201 is taught through a combination of lecture, discussion, homework and examinations. Since the class size is typically small, student participation comprises an ongoing part of the class pedagogy. Students should expect to routinely solve problems and explore graphical models at the blackboard. Homework assignments will involve periodic student presentations of current events relevant to the course.

Honor Code: Students should re-read the honor code since the honor code is strictly enforced in this course.

Texts to be Purchased by Student:

Mansfield, Edwin, and Gary Yohe. Microeconomics, 11th edition. W.W. Norton and Company, New York, 2004. ISBN 0-393-97918-0.

Graded Homeworks and Experiments will be conducted via Aplia. Aplia must be purchased from the Aplia website. See detailed instruction in the Blackboard Course Document files regarding Aplia.

Examinations, Homework, and Quizzes: There will be three in-term exams and an optional comprehensive final exam. If you take the final it will substitute for your lowest exam grade. Several homeworks and announced quizzes will be assigned during the semester. Homeworks will include problem sets and writing responses to assigned readings.

Grading Policy: Each exam accounts for 27% of the course grade. The aplia homework grade accounts for 9% of the course grade. The non-aplia homework/problem set/other component of the course accounts for the remaining 10% of the grade.

A = 94 up to 100

A- = 90 up to 94

B+ = 87 up to 90

B = 84 up to 87

B- = 80 up to 84

C+ = 77 up to 80

C = 74 up to 77

C- = 70 up to 74

D+ = 67 up to 70

D = 60 up to 67

F = 0 up to 60

Attendance Policy: Attendance is required and will be recorded during each class. Students who miss more than two classes will lose one point from their final class average for each miss in excess of two.

Make-up Examination Policy: Make-ups will be permitted only with written support (approved by the instructor) of serious situations that preclude the student's ability to take the exam during the scheduled time.

Important Dates

Fall 2009

August 26	Wednesday	Classes begin
September 1	Tuesday	Last day for changing courses
September 7	Monday	Labor Day Holiday
September 22	Tuesday	Exam 1
October 12 - 13	Monday-Tuesday	Mid-semester Break
October 14	Wednesday	Midterm deficiency reports due online
October 16	Wednesday	Last day for dropping courses without academic penalty
November 3	Tuesday	Exam 2
November 3, 5	Tuesday, Thursday	Preregistration for spring semester
November 25-29	Wednesday-Sunday	Thanksgiving recess
December 1	Tuesday	Exam 3
December 8	Tuesday	Classes End
Dec. 10-11, 14-16	Thu.-Fri., Mon.-Wed.	Final exams

Course Outline

Week 1; August 26-28

Chapter 1. Microeconomics

Week 2: August 31- September 4

Chapter 2. Consumer Tastes and Preferences

Week 3; September 8-11 (no class Sept. 7)
Chapter 3. Consumer Behavior and Individual Demand
Chapter 4. Derivation of the Market Demand Curve

Week 4; September 14-18
Chapter 6. The Firm and Its Technology

Week 5; September 21-25
September 22- Exam 1 (Chapters 1,2,3,4,6)
Chapter 7. Optimal Input Combination and Cost Functions

Week 6; September 28th – October 2
Chapter 8. Perfect Competition
Chapter 9. Applying the Competitive Model

Week 7; October 5- 9
Chapter 10. Monopoly

Week 8; October 12-16 (no class 12-13)
Chapter 11. Monopolistic Competition
Chapter 12. Oligopoly and Game Theory

Week 9; October 19-23
Chapter 12 (cont.)
Chapter 13. Strategic Competition

Week 10; October 26-30
Chapter 13. Strategic Competition (cont.)

Week 11; November 2-6
Nov 3rd – Exam 2- Chapters 7-12
Chapter 14. Price and Employment of Inputs

Week 12; November 9-13
Chapter 15. Investment Decisions

Week 13; November 16-20
Chapter 16. General Equilibrium

Week 14; November 23-24 (no class 25-27)
Chapter 17. Asymmetric Information

Week 15; November 30-December 4
Chapter 18. Public Goods
Dec. 1 Exam III- Chapters 13-18

Week 16; December 7-8
Review Exam/ Course Evaluation

December 9th – Reading Day

Final Exam