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ECON 3070-007

Fall 2009

Intermediate Microeconomics 3070-007, TR 12:30 – 1:45pm, HLMS 241
Yiqing Xie

Administrative Details

Webpage: webfiles.colorado.edu/xiey/www
Text: and   , "Microeconomics ",   Edition,   .
Office: Economics 414
Hours: Tue and Thurs 10:00 – 11:00am or by appointment
Phone: (303) 492-7709 but the ***strongly preferred*** method of contact is:
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Content:

This course introduces the theoretical framework for analyzing the economic behavior of individual decision-makers, such as consumers, workers, firms, and managers. The techniques presented in this course are used by almost every economist and can be applied to several fields including international economics, environmental economics, labor economics, and industrial organization.

The course is divided into five sections. We begin with a basic review of supply and demand. In Section 2, we examine consumer behavior and market demand by constructing a model of consumer choice and using the model to derive individual 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 construct a model to demonstrate how each firm decides what combination of inputs it should use to produce its output and what quantity of output to produce and bring to market. The model is then used to derive the firm's supply curve and the market supply curve. In Section 4, we bring the two sides of the market together to show how price and output are determined by the market. A variety of market structures are examined including perfect competition, monopoly, and (if time permits) oligopoly.

Prerequisites:

The prerequisites for this course are
         Economics Prerequisites: ECON 1000 or 2010
         Mathematics Prerequisites: ECON 1078 & 1088
                  or MATH 1300 or MATH 1310 or MATH 1081 or MATH 1080 & 1090 & 1100
                  or APPM 1350 or equivalent

The models covered in this course require calculus. It is assumed that every student has a working knowledge of calculus, and there will be no formal review of calculus techniques. As such, the mathematics prerequisites will be strictly enforced.

Grading:

I have an unusual and complicated (but extremely fair!) grading system. There will be two midterms and a comprehensive final. On each exam enough points are added to everyone's bring the median (or mean which is lower) score up to 75.   NOTE: it is *points* that are added not questions.   So, for example, if the median for a particular exam is 68, 7 points will be added to each person's exam.   Hence, doing well on a difficult exam, say getting a 96 when the median was 68 enables you to get over 100 points, in this example receiving a 103. Should the median for an exam be above 75, I do *not* subtract (such an outcome indicates either that you are part of an unusually smart or studious class or--more likely?--that I made the test too easy, hence it is my problem). After these adjustment points are added, I will calculate your course test grades as the <u>largest</u> number arising from the following alternative calculated scores:

"Score 1": .25(1st Mid Grade) + .25(2nd Mid Grade) + .30(Final Grade)
       + .20(Problem Sets)

"Score 2": .30(2nd Mid Grade) + .50(Final Grade) + .20(Problem Sets)

"Score 3": .30(1st Mid Grade) + .50(Final Grade) + .20(Problem Sets)

Hence if you "mess up" (or miss) either of the midterm exams (but not both), that test will automatically be dropped, and the comprehensive final is weighted more heavily in this case. ***<u>There will be no early exams or make-up exams</u>***, since they are difficult to make comparable and this system does not penalize you for missing one exam in any event.

The final exam date is: Dec 16 1:30 – 4:00 pm (Wednesday).   The exams are in our usual classroom.   This information is repeated at the end of the syllabus...there are ***<u>no make-ups</u>***...Do not make plans (airline tickets, etc.) that involve leaving early.

A tentative guide to topics we will cover:

Date	Content	Note	
25-Aug	Analyzing Economic Problems		Attendance 1
27-Aug	Supply and Demand Analysis; Math test		Attendance 2
1-Sep	Supply and Demand Analysis; Math test Review		Attendance 3
3-Sep	Preferences and Utilities		
8-Sep	Preferences and Utilities		
10-Sep	**Consumer Choice**	**PS1 due**	
15-Sep	Consumer Choice		
17-Sep	The Theory of Demand		
22-Sep	The Theory of Demand		
24-Sep	**The Theory of Demand till 5.5**	**PS2 due**	
29-Sep	Inputs and Production Functions		
1-Oct	**Midterm 1**		
6-Oct	Inputs and Production Functions		
8-Oct	Inputs and Production Functions		
13-Oct	**Costs and Cost Minimization**	**PS3 due**	
15-Oct	Costs and Cost Minimization		
20-Oct	Costs and Cost Minimization		
22-Oct	Cost Curves		
27-Oct	**Cost Curves**	**PS4 due**	
29-Oct	Perfectly Competitive Markets		
3-Nov	Perfectly Competitive Markets		
5-Nov	Perfectly Competitive Markets		
10-Nov	**Perfectly Competitive Markets**	**PS5 due**	
12-Nov	**Midterm 2**		
17-Nov	General Equilibrium Theory (short)		
19-Nov	Monopoly		
24-Nov	Fall Break		
26-Nov	Happy Thanks Giving!		
1-Dec	Monopoly 11.1, 2, 5, 6		
3-Dec	Market Structure and Competition		
8-Dec	**Game theory and strategic behavior**	**PS6 due**	
10-Dec	Review -- to be determined		
16-Dec	**Final Exam**	**1:30 --4:00pm**	

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.