

ECO 3113, Section 100: Intermediate Microeconomic Theory

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Class Time: M-F 1:00 -3:10 PM

Office Location: Cate Center I, Room 235
Office Hours: M/W 3:30 – 4:30 PM
Class Meeting Room: Michael F. Price Hall, 3010

What is Microeconomics all about?

Microeconomics revolves around the concepts of *scarcity*, *information*, *choice*, and *markets*. We wish to analyze the nature of constrained decisions and how those informed decisions affect the allocation of scarce resources in a market setting.

Course Expectations & Objectives:

It is expected that students coming into this class are proficient with the material and terminology covered in Principles of Microeconomics and Calculus. We will extend and refine several concepts learned in that setting and develop many new tools. Upon completion of this course, you should be able to:

1. Solve a variety of analytical problems using the tools/techniques of microeconomics.
2. Apply an understanding of economic concepts, laws, and theories to analyze economic events as they occur in the real world. Additionally, to identify correct and incorrect economic analysis.
3. Complete an analytical paper that demonstrates these skills.

Books and Materials:

The text is *Microeconomics: Theory & Applications with Calculus*, 4th Edition, by Jeffrey M. Perloff. Previous editions are available through various outlets – these are fine to use as well.

Office Hours:

Office hours are 3:30 - 4:30 M/W. I am also available by appointment.

Course Website:

Course materials (PowerPoint slides, practice problem sets, practice multiple choice questions, answer keys, etc.) will be posted on the Canvas website.

Students with Disabilities:

Students seeking testing accommodation should register with the Office of Disability Services (ODS). I am happy to accommodate any needs related to the testing environment.

Honor Code Statement:

Academic dishonesty will not be tolerated. Students are assumed to be familiar with the OU honor code. Instances of academic dishonesty will be dealt with firmly. **However, students are encouraged to *work & study together* on practice material and to prepare for exams. Learning from one another is a fantastic way to approach mastering the course material**

Course Components:

Practice Problem Sets: Problem sets will be available for students and students are expected to use them as a tool to prepare for in-class examinations. *These assignments are not collected or graded.* However, in-class exam questions will at times follow these questions closely – sometimes even using them.

Practice Multiple Choice: Since exams will also have multiple choice questions, I will post practice multiple choice questions that go along with each Chapter. These have the correct answers provided (at the end) from the start. Again, these are a great way to practice for the exams.

Exams: We will have 3 midterm exams. Each will count for 20% of your final grade. Exams will not be able to be made up as this is a summer course, so I expect all students to be present. I will do my best to grade the exams quickly. In cases of extreme medical/personal emergencies, and with proper documentation and approval, I reserve the right to use the final exam grade to substitute for a missed exam.

Final Exam: The final exam will be held on Friday July 5th, from 1:00-3:00 PM. The final exam is cumulative and is worth 25% of your overall grade. However, the majority of the exam (and all the longer analytical questions) will test the material covered in the last section of the course.

Calculators: Students can use a calculator on exams but *no graphing calculators or phones/tablets*.

Class Participation/Attendance: You are expected to positively contribute to the learning environment. While this is a summer course and missing one or two days means missing 1-3 entire chapters, I will take attendance daily. When it comes to final letter grade calculation, your attendance constructs 5% of your grade. If you have official University activities or serious Medical emergencies, just provide me with documentation and you will receive credit for those missed days.

Economic “Enigma” Paper: The real world is full of initially puzzling outcomes that can be explained using the tools of microeconomics. By following the historical development of a situation and respecting basic behavioral principles, you would be surprised how well you can understand what may initially seem like a puzzle. For example, *why do airlines increase their prices dramatically in the few days before a flight, but professional theater companies do exactly the opposite?*

For 10% of your grade, you will identify a real-world enigma and write a brief paper (5-8 pages, double spaced, standard margins and 12-point font) that accomplishes the following:

- You must clearly document the enigma (unless it a very commonly observable phenomenon – then simply point it out). Ask me about this if you have any questions about your enigma.
- You must motivate why it is initially *puzzling*. If you say that “households with high incomes drive more expensive cars than low income households”, you will fall flat on this requirement.
- Using the concepts we learn in class, (costs & benefits, supply & demand, marginal analysis, consumer tastes & preferences, firm profit maximization, market power, strategic behavior, dynamic games, and many others) along with your common sense and an eye towards historical circumstances, you will explain why the seemingly enigmatic outcome has occurred.

By June 21st you must submit a brief (1-page max) topic outline. You will explain your enigma and provide a few of the economics concepts you will use to explain it. While these will not be given a grade, I will try to provide useful feedback. Also, I will deduct a non-trivial amount of points from the grade eventually given to your paper if this preliminary outline has not been submitted to me on time.

The due date for the final paper is July 3rd at the start of class. You will turn in a hard copy, in class on that date or before. Late submissions receive 50% credit. Use a cover page and clearly cite any references on a separate page. Any commonly used style for citations is acceptable. Papers must also be submitted at the start of class, with all the stapled ready to go with all the requirements.

Final Grade Calculation:

Class Participation, **5%**

Economic Enigma Paper, **10%**

Exams 1-3, 20% each, **60%** total

Final Exam, **25%**

Letter grades: A: 90.0-100 B: 80.0-89.99 C: 70.0-79.99 D: 60.0-69.99 F: less than 60

Classroom Setting:

Please be on time for class. ALWAYS feel free to ask questions – discussion is critical to fostering the best learning environments. The material is best mastered when students prepare before class by reviewing the materials, we are covering that day. Laptops, tablets, and cell phones are not a problem if they are being used to help enhance your learning in the classroom – like following the PowerPoint slides or bringing up other course materials. They are not to be used for other personal activities.

Interested in Economics?

Economics is an exciting field that generates many job opportunities. Skeptical? [Probably wise, considering the incentive structure I face.] Check a handful of “top salaries by degree” lists. My guess is you will find Economics & Finance (any maybe statistics or government-policy related degrees) are the only majors consistently in the top 10-15 range that do not come from engineering, mathematics, or the physical sciences. **Please do not hesitate to ask me or others in the Economics Department about majoring in Economics.**

Disclaimer

I reserve the right to make changes to this syllabus during the semester. Any changes will be announced in class.

Tentative Schedule of Class Meetings/Topics:

Week 1: Course Introduction, Supply & Demand, Consumer Theory

- Monday- Syllabus & Course Introduction, Chapters 1 & 2.
- Tuesday- Chapters 2 & 3
- Wednesday- Chapter 3-4
- Thursday- Chapters 4 & 5
- Friday- Chapters 6 & 7

Section I Exam (Chapters 1-5) – Monday, June 17th

Week 2: Firms, Production, Competition

- Monday: Review and Test #1
- Tuesday: Chapters 7 & 8
- Wednesday: Chapter 8-9
- Thursday: Chapter 9
- Friday: Chapters 10 & 11

Section II Exam (Chapters 6-9) – Monday, June 24th

Important Dates: Friday June 21st is the due date for the 1-page outline of the Enigma Paper

Week 3: Trading & General Equilibrium, Monopoly, Pricing Strategies, Uncertainty

- Monday: Review and Test #2
- Tuesday: Chapters 11
- Wednesday: 12 & 16
- Thursday: Chapter 16
- Friday: Chapter 13

Section III Exam (Ch. 10-12 & 16) – Monday, July 1st

Week 4: Game Theory, Strategy, Oligopoly

- Monday: Review and Test #3
- Tuesday: Chapter 13 and 14
- Wednesday: Chapter 14 **due date for your completed Economic Enigma Papers**
- Thursday: Fourth of July, No Class!
- Friday: **Final Exam (Cumulative with emphasis on Chapters 13 & 14)**