

ECO 3113-04: Intermediate Microeconomic Theory Fall Session 2007: Syllabus and Course Overview

Basic Course Information:

Professor: Gregory Burge	Office Location: 325 Hester Hall
E-mail: gburge@ou.edu	Office Hours: MWF 9:30AM- 10:15AM
Course Web Page: Desire to Learn	Office Telephone: 325-2358
Class Time: MWF 11:30 AM- 12:20 PM	Class Meeting Room: 207 Sarkeys EC

What is Microeconomics all about?

Microeconomics revolves around the basic concepts of *scarcity* and *choice*. Putting the two concepts together, we wish to understand the manner in which all sorts of individuals *make choices when facing constraints* and how these choices affect the allocation of scarce resources. In short, microeconomics is concerned with developing a set of analytical ‘tools’ that can be used to better understand our world. Analysis of consumer and producer decisions will be the vehicle for this learning, but developing economic intuition will also help you analyze other real-world situations outside the market setting.

Course Expectations & Objectives:

It is expected that students coming into this class are familiar with the material covered in Principles of Microeconomics. The amount of time spent reviewing topics covered in principles in this class will be minimal. If you have not had Micro Principles please let me know immediately.

Upon completion of this course, you should be able to:

1. Define terms and concepts that pertain to core microeconomic concepts.
2. Understand and explain the economic laws and theories covered in the course.
3. Apply your understanding of economic terms, concepts, laws and theories so that you are able to analyze economic events as they occur in the real world as well as being able to distinguish between correct and incorrect economic analysis.

Books and Materials:

The required text for the course is *Microeconomics*, 4th Edition, by Jeffrey M. Perloff. I will clearly communicate where we are at with readings as we move through the material. You are expected to stay current or ahead in the readings.

A Note of Office Hours:

Regular office hours are scheduled and I am also available by appointment outside of those times. If there are particular circumstances that will cause me to be away during my scheduled office hours, I will try to announce that in class or by email. I am also generally around so feel free to stop by, but I do reserve the right to “be busy”. Also, I always try to be prompt in replying to student email.

Desire to Learn and Email:

Course materials and announcements will be posted on the course webpage at Desire to Learn. All students are advised to check their email and the course webpage at least somewhat regularly.

Grading Components:

Quizzes: There will be 5 medium-length quizzes given at various *announced times* during the semester; your 4 highest scores will count towards your final grade. Since your lowest quiz score will be dropped, quizzes may only be taken in class on the announced day and may not be made up *for any reason*. Questions will typically be multiple choice, true/false, graphing, short answer, or short analytical problems. In short—a rough approximation is that a quiz is about half an exam’s length, but similar in composition. In total, the quizzes will make up 20% of your final grade. They are equally weighted, so each of your 4 highest scores will be 5% of your final grade.

Homework Problem Sets: You will be expected to complete 3 different homework problem sets over the course of the semester. These will each (roughly) correspond to the material to be covered on the 3 major examinations to be outlined below. I will hand out homework assignments towards the beginning of that particular “third” of the course material and they will typically be due towards the end of that section. They are somewhat long. This is because they are one of the best tools I can come up with to prepare students for the in class examinations. Many types of economic problems are best mastered through “learning by doing” or practicing working through problems so you can master the correct analytical approach. As such, the homework serves a greater purpose than just forming 15% of your final grade. All problem sets **MUST** be either turned in at the beginning of class on the due date or given to me earlier, to receive full credit. Problems sets turned in late but that same day will receive 75% credit. After this point by the next class meeting will earn 50% credit and assignments turned in past this point will receive a 0. (Take note of this now and do not be surprised by it later on in the semester.) In total, homework sets will be worth 15% of your grade, 5% for each. The homework is meant to prepare you for the examinations and should be taken seriously.

Midterms: We will have 2 major midterms during the semester. Each of the 2 tests will count for 20% of your final grade for a total of 40%. No test scores may be dropped or replaced by a final exam score. The dates for these exams have already been set and can be found below. Since the exams will test you over specific portions of the course material, they are not cumulative. However, to the extent that the material we are covering builds on itself (and you will certainly see that it does) the material from earlier chapters may be reflected in later exam questions. Students will be able to make up a missed exam provided they have a legitimate reason for having missed the exam. Students who miss an exam are required to get in touch with me (ASAP) to schedule their make up time slot. All make-up tests must be taken within *one week* of the original exam. Failure to make up a test within one week will result in a 0 for that test.

Final Exam: The final exam for this class will be given on Friday, Dec. 14th, from 1:30-3:30. Since this is a Friday, it is **VERY IMPORTANT** that if you have an unexpected emergency of any type which forces you to miss the exam at this time that you contact me by email ASAP. If you have a known conflict with this date, see me personally before finals week. The final exam will be cumulative. However, the vast majority will focus on the material we cover in this course after the 2nd test since that material will not have been tested. The final exam will count for 25% of your final grade.

A Note on Calculators: For all exams/quizzes students will be allowed the use of a calculator but *absolutely no graphing calculators or cell phone calculators* will be allowed. Please buy a \$2.95 type calculator if you do not already have one.

Extra Credit: There will be no formal extra credit available for this class. Pleas for last minute extra credit projects/assignments to boost your grade will not be heeded.

Class Participation/Attendance: You are expected to be in class and contributing to the learning environment on a regular basis. Much of the learning process that occurs inside the classroom is not perfectly replicated from a reading of the textbook and studies have repeatedly shown the strong positive relationship between regular attendance and class performance. While there is no formal “class attendance” portion of the grade for the course I will take course attendance with both a *random and nonrandom* component, for the purposes of discretionary grade adjustment at the end of the term. The random part is as follows, for all days where an exam or due date (for the problem sets or paper) is *not* scheduled I will flip a coin. The nonrandom part is that I also reserve the right to skip the coin toss and simply take attendance on certain (unannounced) days. These measures will affect your final grade as follows: I reserve the right, solely at my own discretion, to use the attendance figures to either *boost or penalize* your final grade by no more than two points on your final grade. A reasonable expectation on your part is that “strong” attendance will enhance your final grade, “weak” attendance can penalize your final grade, and “typical” or normal performance will leave your earned score unchanged. I treat all cases uniformly, such that attending say, 12 of 16 attendance days would receive the same adjustment than any other person attending the same number. You are expected to be on time and considerate during class. If you arrive late or leave early, please do not be disruptive. All cell phones should be off during class.

Curve: Although I offer no extra credit there will be a consistent curve applied to each in class examination (homework will not be curved). I will curve the highest natural score to a 100 and add the number of points it takes to accomplish that to each person’s score. At times (especially quizzes) this amount may end up small or even zero. Please do not rely upon the curve to bring up poor scores.

Final Grade Calculation:

As you can see from above, your final grade will be constructed in the following way:

1. Quizzes, 20%
2. Homework, 15%
3. Tests, 40%
4. Final Exam, 25%

For a total of 100% with an additional consideration of up to 2 points in either the positive or negative direction being applied based upon class participation.

Letter grades will be determined as follows:

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

Using ANY scale, cutoff between grades end up being somewhat “harsh” in the sense that two individuals with final averages just above and below the cutoff are given different grades even though they have similar scores. This is, unfortunately, unavoidable. Allowing “rounding” or “within one point is close enough” does not reduce the harshness of this truth. If an 89.50 rounds to a 90 and is given an A, then the difference between an 89.50 and an 89.49 is “harsh” just as the difference between an 89.99 and a 90.00 under my system. If you say, round the 89.49 up to an 89.5 which is then rounded to a 90, you even STILL have the same “harshness” between an 89.45 and an 89.44. All of this is included in the syllabus entirely to illustrate that when the end of the semester comes, there will ALWAYS be students very close to the cutoffs- both above and below. PLEASE keep in mind that the class participation measurement is, at least in part, meant to address this unavoidable situation. Strong attendance combined with a “close” score will result in the higher grade. Weak attendance combined with a “close” score (even one just marginally ABOVE the cutoff), will result in the lower grade. NOTE THIS IMPORTANT FACT NOW: A final average like a 90.something or an 80.something can EASILY result in the LOWER grade (B or C in these cases) with poor attendance. Please do not be surprised or angry if/when this occurs. If you want a B and plan on not attending very regularly- be advised that you will need to score ABOVE an 80 (as much as a full 82 if your attendance is extremely poor!) if you want to ensure your B for the course. Also, great attendance will not “replace” learning the material. If you want an A, you must obtain at least an 88 even if you exhibit very strong attendance to get the A.

PLEASE stay aware of your grades as you progress through the course. By the time the final exam comes, 75% of your grade will already be determined and massive improvements to your average will be difficult.

Preparation for Class:

Please be promptly on time for class. In addition, it is strongly recommended that you read through the material to be covered on each day prior to class meetings. After the material is presented in class, it is then useful to review the text again and make sure the concepts and solution techniques are clear to you. The final piece of the puzzle should be actually working out problems that are similar to those you will see on your exams and the final. The homework and quiz problems are meant to do this but I would also suggest going further and attempting other problems. (Such as those in the study guide or at the end of chapters) In Addition, our class time is too scarce for discussions to cover every aspect of a particular subject that is covered in your textbook. Detailed review of the text should help broaden the depth of your understanding of the material covered during class.

Tentative Schedule:

The Following is a tentative schedule for this course. Please note that I may be slightly ahead or behind this outline at any given time. The test dates are firm however. For many Chapters we will not cover every section in the text, I will let you know what sections to skip. I will also have a review sheet printed up before each exam that lets you know what topics you should be familiar with.

Course Introduction: (Weeks 1-2)

- Syllabus
- Background (Chapter 1)
- Supply & Demand and Applications (Chapters 2-3)

Section I: Consumer Theory (Weeks 2-3)

- Preferences and Consumer Choices (Chapter 4)
- Budget Constraints and Consumer Utility Maximization (Chapter 4)
- Applying Consumer Theory (Chapters 5)

Section II: Firms and Production (Weeks 4-5)

- Firms and Production Decisions (Chapter 6)
- Long Run and Short Run Production (Chapter 6)
- Returns to Scale (Chapter 6)
- Short Run and Long Run Costs (Chapter 7)

MIDTERM EXAM #1 Covering Chapters 1-7, Monday, Sept. 24th

Section III: Competitive Markets: (Weeks 6-7)

- Defining Competition & profit Maximization under competition (Chapter 8)
- Production Decisions in the Short and Long run (Chapter 8)
- Market Equilibrium (Chapter 8)
- Applying the Competitive Model (Chapter 9)
- Policies that drive markets away from competitive equilibrium (Chapter 9)

Section IV: Economic Welfare Analysis and General Equilibrium (Weeks 8-9)

- General Equilibrium and Feedback between markets (Chapter 10)
- Trade, Exchange, and Welfare Economics (Chapter 10)
- Public Policy and the role of Efficiency and Equity (Chapter 10)

Section V: Market Power and Non-Competitive Markets Part 1 (Weeks 10-12)

- Monopoly & Market Power (Chapter 11)
- Price Discrimination (Chapter 12)

MIDTERM EXAM #2 Covering Chapters 8-12, Monday, November 5th.

Section VI: Strategy and Game Theory: (Weeks 12-14)

- Strategy (Chapter 14)
- Market Entry Games (Chapter 14)
- Game Theory Models in Analyzing Non-Competitive Markets (Chapter 14)

Section VII: Non-Competitive Markets Part 2: (Weeks 15-16)

- Oligopoly (Chapter 13)
- Monopolistic Competition (Chapter 13)

FINAL EXAM (Cumulative with emphasis on Chapters 13-14 & Game Theory material)
Friday, December 10th, 1:30-3:30.

Honor Code Statement:

Academic dishonesty in this course will not be tolerated in any form. The Academic Honor System at the University of Oklahoma is based on the premise that each student has the responsibility to uphold the highest standards of academic integrity in the student's own work, refuse to tolerate violations of academic integrity, and foster a high sense of integrity and social responsibility. Cheating of ANY form will *NOT* be tolerated. An instance of academic dishonesty will be dealt with harshly; at *minimum*, all students involved will receive a zero for that item and the grade may not be dropped. On a related note, students are however allowed and even encouraged to *work jointly* on homework assignments. Note that "work jointly" does not mean one person works while other copies! However, the purpose of the homework is to get you thinking about the material and to prepare you for the exams so simply copying someone else's work will help you very little.

Students with Disabilities:

Students with disabilities needing accommodation should: 1) register with the Office of Disability Services (ODS) and 2) bring a letter to me from the ODS indicating that you need academic accommodation. This should be done during the first week of class, or immediately after the disability has been diagnosed, so that an appropriate set of accommodations can be worked out.