WASHINGTON STATE UNIVERSITY – FALL 2016

ECONS 301 – INTERMEDIATE MICROECONOMIC THEORY WITH CALCULUS

Instructor: Felix Munoz-Garcia

Teaching Assistants:
Samantha Johnson, Xin Wang, and Ziyang Jiang.

Lectures: Johnson Hall 105.
Tuesdays and Thursdays, 10:35-11:50a.m.

Weekly Review Sessions:
- Samantha: Wednesdays 2:00-3:00pm.
  Location: Hulbert 23 (ground floor).

Office: Hulbert Hall 103G
Phone: 509-335-8402
E-mail: fmunoz@wsu.edu
Office hours: Thursdays 2:00-3:00p.m.,
and by appointment

E-mails for the TAs:
- samantha.r.johnson@wsu.edu (Samantha)
- xin.wang3@wsu.edu (Xin)
- ziyang.jiang@wsu.edu (Ziyang)

TA Office hours:
- Samantha: Mondays, 1:00-2:00pm,
  107E Hulbert Hall.
- Ziyang: Tuesdays and Thursdays, 3:00-4:00pm. 205A Hulbert Hall.
- Xin: Fridays, 11:00am-1:00pm.
  205A Hulbert Hall.

You can also contact your TAs to schedule additional office hours, by appointment.

Course website: http://faculty.ses.wsu.edu/Munoz/Teaching/Teaching_EconS301.html

Course Rationale
This course analyzes the individual behavior of individuals, consumers, and firms. The focus of the course will mainly be theoretical, although several applications and empirical implications will be discussed.

Course Objectives and Learning Outcomes:
Learning Objectives. Microeconomics is the study of individual economic units, such as households and firms, and how they interact to make trades and to determine prices. We attempt to understand these economic units by constructing what we think are reasonable representations of how they behave when confronted with economic decisions. Given these models of economic behavior, we can analyze the workings of the economy and the effects of policy.
The scope of the issues you can study with microeconomic tools is almost limitless – ranging from corporate mergers to charitable giving, to tax cut and prescription drug plans. The primary objective of this course is to develop and understand intermediate microeconomic tools and to prepare you to take more advanced courses in economics and other social sciences.

Learning Outcomes. The student will demonstrate the ability to think critically and to use appropriate concepts to analyze quantitative and qualitatively problems, and situations involving consumers' and firms' strategic behavior. In addition, the student will demonstrate the ability to use appropriate mathematical techniques and concepts to obtain quantitative solutions to problems in consumer and producer theory, market failures and the assessment of public policy.

Prerequisites:
Introductory Microeconomics (EconS 101 or 198), and one semester of calculus (Math 171 or 202) are required.

Required Text:
- No required textbook.

Recommended Reading:
- Besanko, David and Braeutigam, Ronald, *Microeconomics*, 5th edition. Wiley Publishers. [Henceforth referred to as BB]. You can find it at the Washington State University Bookstore (Bookie). [Acquiring the 3rd or 4th edition of the book is also possible.]
  - This is the most recommended textbook if you are planning to buy one.

- Nicholson, Walter and Christopher Snyder. *Microeconomic Theory. Basic Principles and Extensions*. Thompson Publishing. 2008 (ISBN: 0-324-42162-1). (10th or 11th edition).

  - This textbook is especially useful if you are considering graduate studies in Econ/Business, since it introduces you to the material in Masters programs.

- Perloff, Jeffrey M. *Microeconomics: Theory & Applications with Calculus*. Pearson – Addison Wesley, 2008 (ISBN 0-321-27794-5). (Any edition). This book is similar to Besanko and Braeutigam's, but provides a few more mathematical proofs.

- Pindyck, Robert S. and Daniel L. Rubinfeld. *Microeconomics*. Pearson. (7th edition or later). Intermediate micro topics with plenty of thorough examples and anecdotes.

Lectures:
Lectures will be held in Johnson Hall 105, on Tuesdays and Thursday 10:35-11:50 p.m.
Attendance is very important to your success in this class.

Grading:
Your grade for the course will be based on:
- Problem sets (35% from written assignments),
- Two midterm exams (15% each),
- Quizzes (10%), and
- Final exam (25%).

Exam dates:
- Midterm #1: Thursday, September 29th, in class
- Midterm #2: Take-home exam.
  - It will be posted on the course website on Thursday, November 3rd (after class), and it will be due in class on Tuesday, November 8th.
- Final Exam: Wednesday, December 14th, 10:10am-12:10pm, in class.

Make-up exams will only be given if you have a note from a doctor indicating that you were unable to take the exam at the scheduled time.

DESCRIPTION OF COURSE REQUIREMENTS

Homework:
1. Short written assignments (with 2-3 exercises) will be assigned during the semester. I will announce them in class and by e-mail. You will be allowed to work in groups, but each student must submit in class his/her own written assignment.
2. Quizzes (probably between 5 and 10) will be given in class. I will announce them at least two days in advance. The quizzes will only have 2-3 exercises closely related with the material covered in recent classes.

Review Sessions:
One of your teaching assistants, Samantha Johnson, will be holding weekly Review Sessions (Time: Wednesdays, 2:00-3:00pm, Location Hulbert 23, ground floor).

During the review sessions you will cover exercises similar to those you will have to solve in your homework assignments, and in your **exams**. The TA will go over each step that you have to use in order to solve these exercises. Attendance is strongly recommended. The handout of every week's review session will be posted a few days in advance on the course website (see "Review sessions" section).

Grading scale:

A	88-100	C	55-59
A-	80-87	C-	50-54
B+	74-79	D+	45-49
B	70-75	D	40-44
B-	65-69	F	0-39
C+	60-64		

Note: Grades will not be curved.

Course Schedule:
The following course schedule is tentative and subject to change depending upon the progress of the class. Besanko and Braeutigam (BB) is the main recommendation as a reading material, but I also included references to Perloff's (P) textbook and Nicholson and Snyder (NS), if you would like to accompany the intuitive explanations of BB with the more formal treatment.

1. August 23th and 25th.

    - Introduction to Demand and Supply Analysis.

    - *Readings:* BB: Chapter 2.

    - *Alternative readings:* P: Chapter 2

2. August 30th and September 1st.

    - Consumer Preferences and Utility.

    - *Readings:* BB: Chapter 3.

    - *Alternative readings:* P: Chapter 3.1-3.2, and NS: Chapter 3

3. September 6th and 8th.

- Consumer choice.

- *Readings:* BB: Chapter 4.

- *Alternative readings:* P: Chapter 3.3-3.4, and NS: Chapter 4.

4. September 13th and 15th.

- The theory of demand.

- *Readings:* BB: Chapter 5.1-5.3.

- *Alternative readings:* P: Chapter 4, and NS: Chapter 5.

5. September 20th and 22nd.

- Consumer welfare and policy analysis.

- *Readings:* BB: Chapter 5.3-5.7.

- *Alternative readings:* P: Chapter 5, and NS: Chapter 5.

6. September 27th and 29th. -- Thursday, September 29th : *First Midterm Exam*. In class

- Firms and Production.

- *Readings:* BB: Chapter 6.

- *Alternative readings:* P: Chapter 6, and NS: Chapter 9.

7. October 4th and 6th.

- Cost functions.

- *Readings:* BB: Chapters 7 and 8.

- *Alternative readings:* P: Chapter 7, and NS: Chapter 10 and 11.

8. October 11th and 13th.

- Perfectly competitive markets, and applications.

- *Readings:* BB: Chapter 9 and 10.

- *Alternative readings:* P: Chapter 8 and 9, and NS: Chapter 12.

9. October 18th and 20th.

- Monopoly.

- *Readings:* BB: Chapter 11.

- *Alternative readings:* P: Chapter 11, and NS: Chapter 14.

10. October 25th and 27th.

- Pricing and Advertising.

- *Readings:* BB: Chapter 12.

- *Alternative readings:* P: Chapter 12.

11. November 1st and 3rd.

    - Oligopoly.

    - *Readings:* BB: Chapter 13.

    - *Alternative readings:* P: Chapter 13, and NS: Chapter 15.

    - *Take-home exam.* It will be posted on the course website on Thursday, November 3rd (<u>after class</u>), and it will be due in class on Tuesday, November 8th.

12. November 8th and 10th.

    - Game theory.

    - *Readings:* BB: Chapter 14.

    - *Alternative readings:* P: Chapter 14, and NS: Chapter 8.

13. November 15th and 17th.

    - Risk and Information.

    - *Readings:* BB: Chapter 15.

    - *Alternative readings:* P: Chapter 16, and NS: Chapter 7.

14. November 21st - 25th. Thanksgiving Break, No class.

15. November 29th and December 1st.

    - Externalities and Public goods.

    - *Readings:* BB: Chapter 17.

    - *Alternative readings:* P: Chapter 17, and NS: Chapter 19.

16. December 6th and 8th.

    - Asymmetric Information.

    - *Readings:* P: Chapters 18 and 19, and NS: Chapter 18.

17. December 12th – 16th, Final exams' week.

    - Final exam: Wednesday, December 14th, 10:10am-12:10pm, in class.

Disability Resource Accommodation:
Reasonable accommodations are available for students who have a documented disability. Please notify the instructor the first week of class of any accommodations needed for the course. Late notification may cause the requested accommodations to not be available. All accommodations must be approved

through the Disability Resource Center (DRC) in Administration Annex 205, 335-1566, http://www.drc.wsu.edu/

Academic Honesty:
WAC 504-25-015. Academic dishonesty, such as cheating, plagiarism, fabrication, and fraud, is prohibited. See http://www.conduct.wsu.edu/default.asp?PageID=343 for more information and specific definitions of academic dishonesty.
As an institution of higher education, Washington State University is committed to principles of truth and academic honesty. All members of the University community share the responsibility for maintaining and supporting these principles. When a student enrolls in Washington State University, the student assumes an obligation to pursue academic endeavors in a manner consistent with the standards of academic integrity adopted by the University. To maintain the academic integrity of the community, the University cannot tolerate acts of academic dishonesty including any forms of cheating, plagiarism, or fabrication. Washington State University reserves the right and the power to discipline or to exclude students who engage in academic dishonesty. To that end, the University has established the following rules defining prohibited academic dishonesty and the process followed when such behavior is alleged. These rules incorporate Washington State University's Academic Integrity Policy, the University-wide document establishing policies and procedures to foster academic integrity. This policy is applicable to undergraduate and graduate students alike, as it pertains to dishonesty in course work and related academic pursuits. In cases of dishonesty in research and original scholarship, the University's Policy and Procedural Guidelines for Misconduct in Research and Scholarship may take precedence over the policies and procedures contained herein.
Academic dishonesty includes cheating, plagiarism, and fabrication in the process of completing academic work. These standards should be interpreted by students as general notice of prohibited conduct. They should be read broadly, and are not designed to define misconduct in exhaustive forms.

Campus Safety Plan:
Can be found at http://safetyplan.wsu.edu and http://oem.wsu.edu/emergencies, contains a comprehensive listing of university policies, statistics and information related to campus safety, emergency management and the health and welfare of the campus community.

Disclaimer: This syllabus is subject to change to facilitate instructional and/or student needs.