

ECON 300 D: INTERMEDIATE MICROECONOMICS

AUTUMN 2017

COURSE MEETS: M.W. 6:30 – 8:20 pm, ARC G070

INSTRUCTOR: Byunghoon Nam

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OFFICE HOURS: T.TH. 3:00 – 4:00 pm and by appointment

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COURSE WEBSITE: <https://canvas.uw.edu/courses/1116286>

COURSE DESCRIPTION:

From ECON 200, you know that economics is the social science of choices. Microeconomics captures how *individual* economic agents – household, firm and government – make decisions and how they interact in markets. In the introductory microeconomics, we primarily addressed these questions through intuitions and graphs. Now it's time to introduce you to the way that economists build mathematical models to understand their choices and interaction. Mathematics allows us to build precise models and to strip a model down to its important components and interactions. Note that although models expressed mathematically may seem simplistic at first, the art of being an economist is to impart economic meaning and conclusions to the equations, derivatives and graphs. The payoff is a deeper understanding of the importance that logical modeling and critical thinking play in economics.

PREREQUISITES:

Econ 200 and any one of: Math 112, 124, 127, 134, or 145.

You must have completed an introductory microeconomics course (ECON 200). It goes without saying that you must not be surprised when you hear me use terms like demand, supply, profit, cost, monopoly, externality, public goods, without necessarily defining them. If it's been a while since your ECON 200, keeping an introductory textbook on hand to look up terms is advised.

You must have calculus proficiency at the Math 112 level or similar. You must be comfortable with the total differential, partial derivative, product rule, chain rule, maximization, minimization and first order condition. It would be very helpful for you to have a calculus textbook as a reference.

TEXTBOOK AND COURSE MATERIALS

- **TEXTBOOK:** The textbook for this course is Hal Varian's, *Intermediate Microeconomics: A Modern Approach*, 9th edition (published by W.W. Norton). Older print editions are also okay. I will refer to chapter numbers from the 9th edition. You do not need to purchase any online package.
- **CANVAS:** As a registered student, you should be able to view the Canvas page for this course. This is the site where I will post syllabus, lecture notes, homework and answer key, practice exam, and grade. It is your responsibility to check the site regularly. Lecture notes will generally be posted right after each lecture.

GRADING:

Your grade consists of homework (20%), Exam 1 (40%) and Exam 2 (40%). Class participation will be rewarded with extra credit.

- **HOMEWORK:** There will be a set of questions titled "Homework". These will be assigned approximately weekly and will be posted on the course website. Each assignment carries equal weight. Each assignment consists of multiple choice and short-answer questions. These questions provide valuable practice because they are written in the style of my exam questions. You must hand in a hard copy (no e-mail submissions) of your answers before the class on the day it is due (no late submissions). You may handwrite or type. You are encouraged to study with other students and to discuss and compare answers with each other when working on assignments. However, you must submit your own work. Your homework will be graded by two criteria: completeness and correctness. I will check if you tried to solve every question (0 – 2 points) and choose one arbitrary question to see if your answer and reasoning are correct (0 – 2 points). Your Homework will be collectively worth 20% of your course grade.
- **EXAM:** There will be two exams. All exams will be conducted in the classroom during the same class time. Exams are closed-book and will be a combination of multiple choice and short-answer questions. Your exams are collectively worth 80% of your grade; exam 1 and 2 are worth 40% each.

The Department of Economics requires the class median grade to be in the range of 2.9 – 3.1 on a 4-point scale. Final grades will be assigned to satisfy this requirement. For that reason, there is no pre-determined formula relating grade percentages to the 4-point grade scale; rather, the best guide for judging your progress is how your grade compares to the median grade on each assignment.

LATE POLICY AND MAKE-UP EXAMS:

No late homework will be accepted. For exam 1, no make-up exam will be given, except for excused medical and family emergencies, or UW-sanctioned athletic commitments. I will require both the phone number and address of the doctor/clinic in order to verify the authenticity of the documentation you provide. There is no make-up for exam 2. If you miss exam 2 due to an unexpected event or an accident, you will have to notify me as soon as possible. If you provide verifiable documentation, you may earn an incomplete grade in the course. Otherwise your grade for exam 2 will be zero and I will calculate your course grade based on the zero grade you have earned.

HOW TO STUDY EFFECTIVELY:

- Read the relevant parts of chapter(s) carefully before each lecture. Try to get a good idea of both the questions asked and the approach (the concept and the reasoning process) to addressing the questions in the textbook.
- Take notes during class, but it is not necessary to copy every slide. The slides will be posted online. You are welcome to ask clarifying questions, present points of debate, etc. during class.
- After the lecture, attempt the homework problems and make sure you fully write down the answer to each question using the relevant concepts you have learned. Please do not address the problems in your head only. Rather, use the concepts you learn plus the reasoning process to write out the solutions in full. The analysis uses graphs, calculus and algebra. You should also write out some explanations about your graphical and mathematical solutions.
- It is a good idea to form a study group (2-4 members) among peers to discuss the material of the course and/or do homework problems together. However, you must submit your own homework.

COURSE OUTLINE:

The following is a plan for the topics covered each week, and the corresponding chapters in the textbook. It is subject to change. I will alert you each week of the upcoming material. I encourage you to read the chapters ahead of the corresponding lectures.

WEEK	LEARNING SUBJECTS OR PLANS	READINGS
Week 1	<ul style="list-style-type: none"> • Introduction • Review of ECON 200 	
Week 2	<p>< Theory of the consumer ></p> <ul style="list-style-type: none"> • Budget Constraint • Preferences • Utility 	Ch. 2 Ch. 3 Ch. 4
Week 3	<ul style="list-style-type: none"> • Choice • Demand • Revealed Preference 	Ch. 5 Ch. 6 Ch. 7
Week 4	<ul style="list-style-type: none"> • Slutsky Equation • Consumer's surplus • Market Demand 	Ch. 8 Ch. 14 Ch. 15
Week 5	<ul style="list-style-type: none"> • <i>Exam 1 (Oct. 26th)</i> 	
Week 6	<p>< Theory of the firm ></p> <ul style="list-style-type: none"> • Technology • Profit Maximization • Cost Minimization 	Ch. 19 Ch. 20 Ch. 21
Week 7	<ul style="list-style-type: none"> • Cost Curves • Firm Supply • Industry Supply 	Ch. 22 Ch. 23 Ch. 24
Week 8	<p>< Theory of the Market ></p> <ul style="list-style-type: none"> • Monopoly • Monopoly behavior • Oligopoly 	Ch. 25 Ch. 26 Ch. 28
Week 9	<ul style="list-style-type: none"> • Game Theory <p>< General Equilibrium and Market Failures ></p> <ul style="list-style-type: none"> • Exchange 	Ch. 29 Ch. 32
Week 10	<ul style="list-style-type: none"> • Externalities • Public Goods 	Ch. 35 Ch. 37
Week 11	<ul style="list-style-type: none"> • <i>Exam 2 (Dec. 6th)</i> 	

* Chapter numbers are from Hal Varian's, Intermediate Microeconomics, 9th edition.

EXAM TAKING RULES:

Material allowed during a closed book exam.

- All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach.
- Only a basic 4-function or a scientific calculator may be used during an exam. Graphing calculators will not be allowed. Sharing of calculators is not permitted.
- No other electronic devices can be accessible during the exam. Cellular phones must be turned off before entering the class and placed in your closed bag (not in your pocket). You are not allowed to use a cellular phone during an exam. Doing so will result in the termination of your exam time.
- Baseball caps and any other kinds of headgear that conceal your eyes are not permitted.

Attendance and special accommodation

- You are not allowed to leave the room during the exam. This includes restroom use; be sure to use the restroom before the beginning of the exam.
- If you arrive late to an exam, you cannot expect to get extra time after the official end of the exam to make up for the missing time at the beginning.
- If you have a documented disability, please bring documentation from the Office of Disability Resources for Students on the first day of class, so that I can make any arrangements required for accommodations.

ACADEMIC HONESTY:

- Exams are individual work and cheating will not be tolerated. Looking at a neighbor's exam is considered cheating. If a student is seen committing this act, they will not be allowed to continue taking their exam. The neighbor sitting next to the student will also be duly punished if they are seen as facilitating this act of cheating.
- Altering an exam before submitting it for a review of the grading, obtaining an advance copy of an examination, or arranging for a surrogate test-taker are all flagrant violations of University policy.
- Cheating of any kind may result in expulsion from the University. The Department will follow University policy in case of academic misconduct. I strongly recommend that you review University policy at <http://www.washington.edu/uaa/advising/help/academichonesty.php>

Students found to have engaged in academic dishonesty will be subject to sanctions, which range from a disciplinary warning to permanent expulsion from the University, depending on the seriousness of the misconduct.