

Microeconomic Theory  
Econ 400  
Summer 2015  
M-F 1:10-3:20 pm

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**Course Description:**

This course presents the conceptual foundations and analytical methods of microeconomics. It covers the basic theories of consumer and firm behavior, perfect competition, imperfect competition (monopoly, oligopoly, and monopolistic competition), decisions under uncertainty and asymmetric information.

**Course Organization:**

This is primarily a traditional lecture course, with problem sets and exams. Since it is summer quarter, and things move quickly, we will reserve some class time for working through additional problems.

**Prerequisites:**

You need to have successfully completed Econ 300 Math 126. You should be comfortable using multivariate calculus. Please reconsider this class if you are not.

**Text:**

Microeconomic Theory: Basic Principles and Extensions, 11<sup>th</sup> edition, by Walter Nicholson and Christopher Snyder. ISBN: 1-111-52553-6. This text is required and available at the university book store, but you do not need to purchase online access to the book. Earlier editions and international editions have both been found to be acceptable substitutes by previous students.

**Problem Sets:**

It's nearly impossible to learn the tools of economics without working problems, so I will assign several problems for each chapter. These assignments will be not collected, and rough solutions will be posted at the same time as the problem sets. You are encouraged to do the problems before looking at the solutions as preparation for the exams.

**Evaluation:**

2 midterm exams are worth 50% each. If  $X$  is your average percentage on both exams, your final grade will be calculated as following:

Percentage	Grade
$X \geq 95\%$	4.0
$95\% > X \geq 60\%$	$0.055X - 1.3$ (rounded to one decimal place)
$60\% > X \geq 50\%$	2.0
$X < 50\%$	0.0

**Absence Policy:**

There will be no make-up exams given, except in the case of extreme emergency or illness. Extreme emergencies and illnesses will need to be documented, preferably with a doctor's note, police report or similar. Please look at the exam dates below and plan your schedules accordingly. No early exams will be given – no exceptions!

**Course Outline:**

We will follow the general outline below. This is an ambitious plan, so we may not cover every topic listed. Time frames are flexible and will change as needed, but exam dates are set in stone. Please consult the class website at least once a week to obtain reading assignments and problem sets and check for any class announcements.

**Note: No class July 6.**

1. Mathematical Preliminaries (NS, CH 2)
2. Preferences and Utility Maximization (NS, Chapters 3 & 4)
3. Demand Relationships and Revealed Preference (NS, Chapters 5 & 6)
4. Uncertainty and Asymmetric Information (NS, Chapter 7)

**Midterm Exam 1: Tuesday, July 7, 2015 (in class)**

5. Production Functions (NS, Chapter 9)
6. Cost Functions and Cost Minimization (NS, Chapter 10)
7. Profit Maximization and Partial Competitive Equilibrium (NS, Chapters 11 & 12)
8. Monopoly (NS, Chapter 14)
9. Strategy and Imperfect Competition (NS, Chapters 8 & 15)

**Midterm Exam 2: Wednesday, July 22, 2015 (last day of class)**

## University of Washington

### Department of Economics

#### Examination rules

##### 1. Material allowed during a closed book exam:

i. All books, papers, notebooks etc. must be placed inside your bag (backpack etc.) and the bag must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach (classroom window sill etc.)

ii. Only keep writing tools and **basic calculators** (i.e. simple 4-functions calculators). Graphing calculators or calculators with memories will not be allowed. **Sharing of calculators is not permitted.**

iii. **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 (your exam being taken from you at this point). Likewise **i-pads** or **i-pods** (or similar devices) are not allowed. The use of **personal computers** is not allowed during an exam.

iv. Baseball caps with visors and any kinds of **headgear** hiding your eyes are not permitted.

##### 2. Attendance and special accommodation:

i. You are expected **not to leave the room** during the exam except in case of emergency. This includes restroom use; be sure to use the restroom before the beginning of the exam. If you must leave the room, you will be asked to leave your phone with the instructor while you are gone.

ii. 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.

iii. If you have a **documented disability**, please show your instructor your documentation from the Office of Disability Resources for Students on the first day of class, so that your instructor can make all the necessary arrangements if you wish to take your exam in a separate place.

3. Academic honesty: *Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions. Sanctions range from a disciplinary warning, to academic probation, to immediate dismissal for the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course.*

i. Exams are individual work and **cheating will not be tolerated**. Cheating includes, but is not limited to, bringing notes to a closed-note exam, consulting a classmate or any other source of information during an exam, or looking at a neighbor's paper. See here for a more exhaustive list:

<http://www.washington.edu/uua/advising/help/academichonesty.php>

ii. My policy is to give a zero for an exam that I believe you have cheated on. This will result in a failing grade for the course.