

Econ 300 E: Intermediate Microeconomics (Spring 2022)

1. Course Basic Information

Instructor: Lia Xu (liaxu@uw.edu)
Office Hours: In class and by appointment
Class Meeting: Mon/Wed 8:30 – 10:20 AM at SMI 404
Class Website: <https://canvas.uw.edu/courses/1547180>

Economics 300 is the intermediate course in microeconomic theory. We analyze changes in the behavior of individuals and firms in response to changes in the constraints they face. This course will stress applications of elementary economic theory to real world issues and problems. Analytical reasoning and mathematical modeling based on fundamental principles is stressed throughout. This is a scientific course: we shall be concerned with explanations of real world events. This course presents the conceptual foundations and analytical methods of microeconomics. This course is intended to equip you with the tools and comprehension to write reports or conduct research using modern microeconomic theory. Correspondingly, mastery of the material covered in the course will help you critically evaluate the microeconomic content of the work of others.

The mathematical prerequisite for this course is **a strong background in calculus**. The textbook for the course is **the 5th edition of Microeconomics: Theory and Applications with Calculus by Jeffrey Perloff** with an access code required for the companion MyEconLab website.

We will proceed as follows. We will cover Chapters 1 - 5, dealing with consumer behavior, demand theory, and the interaction of supply and demand in market settings during the first five weeks. We will then cover most of the material in Chapters 6 - 9, 11, and 14 dealing with production and costs, supply in competitive markets, monopoly, and imperfect competition. The detailed schedule is attached in a later section.

2. Grades

Grades will be assigned as follows. The weekly MyEconLab homework will count for 25% of the course grade, the problem sets counting for 15% of the course grade, and the two midterm exams counting for 60% of the course grade. Please mark the dates on your own calendar. Late assignments will not be accepted. Midterms are all in-person.

| Tasks | Percentage % | Due Dates |
|--------------------|--------------|-----------------------|
| MyEconLab Homework | 25% | Every Monday Midnight |
| Problem Sets | 15% | TBD |
| Midterm 1 | 30% | April 27th |
| Midterm 2 | 30% | June 1st |

3. Class Structure and COVID Related Issues

In ECON 300E, lectures will be offered in-person at SMI 404. Lectures will NOT be recorded but lecture slides will be available on the Canvas website.

The two midterms will be held in person; and students are expected to be present for exams, subject to absences due to illness. If you are ill and must miss an exam, please contact me immediately to receive information about the accommodations or makeup exams. If you have established accommodations with Disability Resources for Students (DRS), please contact me immediately to discuss these accommodations.

Please be flexible and keep in mind that the class structure/teaching mode may change if the situation changes.

Additional details and contact information:

<https://www.washington.edu/coronavirus/faq/#health>

<https://www.washington.edu/coronavirus/status/>

4. Policy on Academic Conduct

The University takes academic integrity very seriously. Behaving with integrity is part of our responsibility to our shared learning community. If you're uncertain about if something is academic misconduct, ask me. I am willing to discuss questions you might have.

Acts of academic misconduct may include but are not limited to:

- Cheating (working collaboratively on quizzes/exams and discussion submissions, sharing answers and previewing quizzes/exams)
- Plagiarism (representing the work of others as your own without giving appropriate credit to the original author(s))
- Unauthorized collaboration (working with each other on assignments)

Concerns about these or other behaviors prohibited by the Student Conduct Code will be referred for investigation and adjudication by (include information for specific campus office). Students found to have engaged in academic misconduct may receive a **zero** on the assignment (or other possible outcome).

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 the Dept. of Economics policy at: <https://econ.washington.edu/policy-academic-conduct>

5. Religious Accommodations Policy

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at Religious Accommodations Policy (<https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>). Accommodations must be requested within the first two weeks of this course using the Religious Accommodations Request form (<https://registrar.washington.edu/students/religious-accommodations-request/>).

6. Disability Accommodations Statement

Your experience in this class is important to me. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law. If you have already established accommodations with Disability Resources for Students (DRS), please activate your accommodations via myDRS so we can discuss how they will be implemented in this course.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), contact DRS directly to set up an Access Plan. DRS facilitates the interactive process that establishes reasonable accommodations. Contact DRS at disability.uw.edu.

7. Detailed Schedule (Subject to Change!)

| Date | Topics | Readings |
|----------------|---|-------------------|
| Week 1 3/28 | <ol style="list-style-type: none"> 1. Introduction 2. Math Review | Chapter 1 |
| Week 1 3/30 | <ol style="list-style-type: none"> 1. Optimization 2. Demand, Supply and Market Equilibrium 3. Elasticities | Chapter 2.1 - 2.7 |
| Week 2 4/4 | <ol style="list-style-type: none"> 1. Effect of a Sale Tax 2. Price Ceiling and Price Floor | Chapter 2.1 - 2.7 |
| Week 2 4/6 | <ol style="list-style-type: none"> 1. Axioms of Rational Choice 2. Indifference Curves and Utility (Graphs) 3. Marginal Rate of Substitution | Chapter 3.1 - 3.3 |
| Week 3 4/11 | <ol style="list-style-type: none"> 1. Budget Constraints 2. Utility Maximization Problem (Using Calculus & Graphs) | Chapter 3.4 |
| Week 3 4/13 | <ol style="list-style-type: none"> 1. Expenditure Minimization Problem 2. The Dual Problem | Chapter 4.1 - 4.3 |
| Week 4 4/18 | <ol style="list-style-type: none"> 1. Deriving Demand Curves 2. Income Effect and Substitution Effect 3. Slutsky Decomposition | Chapter 4.5, 5.4 |
| Week 4 4/20 | <ol style="list-style-type: none"> 1. Revealed Preference 2. Labor Market | Chapter 4.5, 5.4 |
| Week 5 4/25 | Q & A for Midterm 1 | |
| Week 5 4/27 | Midterm 1 | |

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| Week 6 5/2 | <ol style="list-style-type: none"> 1. Inputs and Outputs 2. Short-Run / Long-Run Production 3. Isoquant, Marginal Rate of Technical Substitution 4. Returns to Scale 5. Technical Change | Chapter 6.1 - 6.6 |
| Week 6 5/4 | <ol style="list-style-type: none"> 1. Short-Run Costs 2. Long-Run Costs 3. Cost Minimization Problem 4. Derivation of Cost Functions 5. Output Maximization Problem | Chapter 7.1 - 7.3 |
| Week 7 5/9 | <ol style="list-style-type: none"> 1. Competitive Firms and Markets 2. Profit Maximization 3. Shutdown Decision in the Short-Run 4. Long-Run Equilibrium | Chapter 8 |
| Week 7 5/11 | <ol style="list-style-type: none"> 1. Producer Surplus 2. Welfare Effect of Price Ceiling/Floor 3. Free Trade and Tariff/Quota | Chapter 9.2 - 9.6 |
| Week 8 5/16 | <ol style="list-style-type: none"> 1. Monopoly Profit Maximization | Chapter 11.1 - 11.2 |
| Week 8 5/18 | <ol style="list-style-type: none"> 1. Market Power and Welfare 2. Prisoners' Dilemma 3. Game Theory | Chapter 13.1 - 13.2 Chapter 14.1 - 14.3 |
| Week 9 5/23 | <ol style="list-style-type: none"> 1. Cournot Oligopoly Model 2. Stackelberg Oligopoly Model 3. Bertrand Model of Oligopoly 4. Monopolistic Competition | Chapter 14.4 - 14.6 |
| Week 9 5/25 | Q & A for Midterm 2 | |
| Week 10 5/30 | Memorial Day, No Class | |
| Week 10 6/1 | Midterm 2 | |