Interim Microeconomics - Econ 300 C

Spring 2014

Instructor: Bijetri Bose
Office: 319 C, Savery Hall
Office Hours: Tuesday & Thursday 11.00 a.m. – 12.00 p.m. and/or by appointment.
Email: bijetri@uw.edu

Course materials:

Webpage: https://catalyst.uw.edu/workspace/bijetri/43782/312367
Here you will find:
- Lecture notes
- Home-works and practice problems
- Solutions
- Syllabus
- Interesting articles and links
- Other resources
- Discussion forum
- Statement of relevant policies of the Economics department

You will need your UW student ID and password to log in. Ideally you should set the notifications ON to let you know when I have posted something. Check this page regularly for all important announcements about this class.

Text: Microeconomics, 7th edition by Jeffrey M. Perloff. This is the recommended text for the class. You do not need the online access code for this class. You can use an earlier edition.

Grading:

- Weekly Home-works: 30%
There will be 4 home-work sets, due usually on Tuesdays before class. These will account for 30% of your final grade. If you have attended class and understood a fraction of what I say, each problem sets shouldn’t take you more than 2 hours.

For the home-works, group-work and discussion is allowed but you have to submit your own complete solutions. Don’t forget to show your intermediate calculations. No late homework will be accepted.

You will also be assigned practice problem sets in alternate weeks. You do not have to hand in these problem sets and they will not be graded. However, these problem sets will help you get familiar with concepts taught in class and also get an idea of possible questions in the exams. Don’t ignore them.
• **Class Participation:** 10%
Class participation is not equivalent to class attendance! There will be a lot of in-class problem solving and discussions that you must **actively engage** in to earn class participation points. I reserve the right to use my discretion in judging your participation in class while determining the final grades.

• **2 Exams:** 60%
The exams will be non-cumulative and will be composed of short answer questions. Your answers will either include graphs and related explanation of 2-3 sentences or calculus based computation problems.

Note: Any issues with the scores on your Home-works or Exams must be resolved within 1 week after they are handed back to you. It is part of your responsibility to verify the entries on Catalyst grade book.

You may need a simple 4-function calculator for some of the questions in exams. **Graphing calculators, cell phones, ipods or iphones are not allowed.**

**There will not be any kind of make-up exams.** If you are not able to make it to an exam due to a very serious reason, you have to contact me on the same day and explain what happened. In any case you will have to show proper valid documentation as soon as possible after the missed exam, such as a doctor’s note.

Exams and homework are individual work and **cheating will not be tolerated.** As students of UW, you must attempt to uphold the fundamental standards of honesty, respect, and integrity, and encourage others to adhere to these standards. Please read the Policy on Academic Honesty on the class website.

This course will be curved in accordance with the Economics Departments policy. The median grade is set between 2.9 and 3.1. The top 5% of students in the class can expect a 4.0. No credit (0.0) will be awarded to student with a class percentage below 50%.

**Course Overview:**

This class will quantitatively build on the intuition learned in ECON 200. Calculus is used intensively in the course. Prerequisites: Econ200, Math 112 or equivalent.

We will analyze the economic behavior of consumers and firms and how their interactions in markets determine the prices and quantities of goods and services. Apart from the basic competitive market model (a Supply and Demand determined equilibrium), we will study other aspects of markets such as monopolies, duopolies and monopolistic competition. The class can be divided into 3 parts.
- Investigating aspects of consumer choice.
- Derive a firm’s production decision in different markets and compare their welfare effects.
- Study the exciting field of game theory and strategic thinking and its application to duopolies.

Note that this class will be essential to applied courses in economics including labor economics, public finance, international economics, natural resources and finance, and will also be helpful in optimization courses outside of economics!
To understand an economic concept and to do well in this class it is important to understand the underlying intuition, the mathematical analysis and most importantly the application of the concept to real life examples.

**Student Learning Goals:**

- Understand and be able to use microeconomic terminology.
- Use microeconomic principles and diagrams to understand and explain economic events and other social phenomena.
- Understand how individuals and firms make themselves as well off as possible in a world of scarcity.
- Use basic calculus to solve optimization problems faced by economic agents.
- Understand how prices influence the decisions about which goods and services to produce, how to produce them, and who gets them.
- Understand how government policies affect the allocation of resources in a market economy.
- Understand how market structure (perfect competition, monopoly, duopoly and oligopoly) influences the allocation of resources.
- Use economic reasoning to explain the strategic choices of individuals or organizations.
- Appreciate the usefulness of economic reasoning in personal decision-making
<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Chapters</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intro &amp; Math Review</td>
<td></td>
<td>Practice Problem 1</td>
</tr>
<tr>
<td>2</td>
<td>Supply &amp; Demand</td>
<td>Chapter 2 &amp; 3</td>
<td>HW 1 assigned</td>
</tr>
<tr>
<td>3</td>
<td>Consumer Theory</td>
<td>Chapter 4 &amp; 5</td>
<td>Practice Problem 2</td>
</tr>
<tr>
<td>4</td>
<td>Consumer Theory</td>
<td>Chapter 4 &amp; 5</td>
<td>HW 2 assigned</td>
</tr>
<tr>
<td>5</td>
<td>Production</td>
<td>Chapter 6</td>
<td>Practice Problem 3</td>
</tr>
<tr>
<td>6</td>
<td>Cost</td>
<td>Chapter 7</td>
<td>Exam 1 – 8th May, 2014</td>
</tr>
<tr>
<td>7</td>
<td>Perfect Competition</td>
<td>Chapter 8 &amp; 9</td>
<td>HW 3 assigned</td>
</tr>
<tr>
<td>8</td>
<td>Monopoly</td>
<td>Chapter 11</td>
<td>Practice Problem 4</td>
</tr>
<tr>
<td>9</td>
<td>Game Theory</td>
<td>Chapter 14</td>
<td>HW 4 assigned</td>
</tr>
<tr>
<td>10</td>
<td>Oligopoly</td>
<td>Chapter 13</td>
<td>Practice Problem 5</td>
</tr>
<tr>
<td>11</td>
<td>Finals Week</td>
<td></td>
<td>Exam 2 – 10th June, 2014</td>
</tr>
</tbody>
</table>