



BT344A: Intermediate Microeconomics
Stevens Institute of Technology
School of Business
Fall 2022

Instructor: Justine Hervé

Course Website: Click on the [Macmillan Learning](#) tab in Canvas, then click on [Achieve](#) and follow the instruction for registration.

Meeting Times: Mondays / Wednesdays 8:35AM-9:50AM

Classroom: Gateway North 303

Contact Info: jherve@stevens.edu.

Office Hours: Monday-Wednesday 10:00AM-11:00AM in Kidde 219B.

I can also be reached anytime by email.

Prerequisite(s): BT244: Microeconomics

Corequisite(s): None

Cross-listed with: N/A

COURSE DESCRIPTION

This is a course in intermediate microeconomics designed with the goal of providing students with a deeper understanding of economic analysis. It broadly involves the study of consumer and firm behavior starting from the standard perfect competition paradigm and introducing models of imperfect competition. Throughout the course, formal models will be motivated and discussed. The theory will be accompanied by the study of real world applications, as well as considering economic policies targeted at specific industries or sectors.

STUDENT LEARNING OUTCOMES

After successful completion of this course, students will be able to...

1. Understand consumer and producer behavior: constructing market demand and supply starting from individual choices of consumers and firms.
2. Explain the functioning of markets (demand and supply analysis) in relation to market structure and market power.
3. Analyze monopoly power in theory and practice: price discrimination, linear and non-linear pricing.
4. Analyze imperfect competition and strategic interaction: static games of quantity and price competition (Cournot and Bertrand), first and second mover advantage (Stackelberg), dynamic games (cartels and collusion).
5. Analyze the concepts of investment, time and insurance.
6. Apply general equilibrium analysis in order to evaluate social welfare.

COURSE FORMAT AND STRUCTURE

The course will employ lectures, class discussion, in-class collaborative practice problems, individual homework, and three exams that will test the students' grasp of the concepts covered in the course, as well as their ability to apply those concepts. There will also be a discussion of current events in news articles to illustrate how concepts discussed in class are relevant in practice.

Instructor's Office Hours

Office hours will be held Fridays 8:35-9:50AM EST in Kidde 219B. You may also email me with questions any time, or schedule a personalized time to meet.

TENTATIVE COURSE SCHEDULE

Topic(s)	Readings	Assignment
<u>Basic Microeconomics: Supply and Demand</u> <ul style="list-style-type: none"> • Introduction to Microeconomics • Supply and Demand Using Supply and Demand to Analyze Markets	GLS Chapters 2-3	Selected end of chapter problems
<u>Consumption and Production</u> <ul style="list-style-type: none"> • Consumer Behavior • Going from individual to Market Demand • Producer Behavior and Cost Minimization • Going from firm behavior to Market Supply in Competitive Markets 	GLS Chapter 4-7	Selected end of chapter problems

<i>Midterm Exam #1</i>		
<u>Competitive Markets</u> <ul style="list-style-type: none"> · Profit maximization · Supply in the Short run, long run · Individual firm supply / market supply 	· GLS chapter 8	Selected end of chapter problems
<u>Monopoly Power</u> <ul style="list-style-type: none"> · Market Power and Monopoly · Market Power and Pricing Strategies 	· GLS Chapter 9-10	Selected end of chapter problems
<u>Imperfect Competition and Strategic Interaction:</u> <ul style="list-style-type: none"> · Static Games: Quantity Competition (Cournot), Price Competition (Bertrand) · Dynamic Games: First and Second Movers, Collusion and Cartels · Game Theory 	· GLS Chapter 11-12	Selected end of chapter problems
<u>Market Failure and Beyond (if time permits)</u> <ul style="list-style-type: none"> · Asymmetric Information · Externalities and Public Goods · 	· GLS Chapter 16-18 (selected topics from these chapters will be covered)	Selected end of chapter problems
<i>Final Exam</i>		

COURSE MATERIALS

Textbook(s)

Goolsbee, Levitt and Syverson, **Microeconomics**, 3rd edition, Macmillan Publishers

I will be using the MacMillan Learning Achieve site throughout the course.

Access to this site is required.

Achieve is a platform you pay for that gives access to the e-book version of the textbook. It is also where in-class and homework assignments, as well as exams will be submitted. For an additional fee, students can purchase a paperback or hard cover copy of the textbook.

Click on the Macmillan Learning tab in the course's Canvas shell.

Click on Achieve access -- it will take you straight to the Achieve site.

Other Readings: Students are encouraged to read articles from The Economist, and to follow Ben Bernanke's Blog: <https://www.brookings.edu/blog/ben-bernanke/> (Links to an external site.), Gregory Mankiw's Blog: <https://gregmankiw.blogspot.com/> (Links to an external site.) and Paul Krugman's blog : krugman.blogs.nytimes.com/

Materials: None

COURSE REQUIREMENTS

Homework

- Students will be assigned regular end-of chapter homework assignment (HW) to be submitted online through the Achieve site. Each homework corresponds to a specific chapter of the Goolsbee book used in this class. Homework will be graded, each homework is worth 5 points. Students are allowed to work on homework in groups. For each chapter, there are optional *Animated Graphing Tutorials*, *Learning Curve* and *Figure-It-Out* activities on the Achieve site. These are ungraded and offer students opportunities to get familiar with the material.
- To access the homework, use the following path (example with chapter 2 homework): MyCourse > Chapter 2: Supply and Demand > Chapter 2: Assessment > EOC2: End of chapter problems - Ch2

Participation

- Students are expected to attend class on a regular basis. Attendance will be taken.
- Everyone begins with a grade of 80 on participation. The participation grade depends on attendance and in-class participation. There will also be group in-class work assigned and these are graded. The grades on these assignments make up the remaining 20% of the participation grade (may vary depending on how fast we go).

Exams

There will be one **midterm exam** and one **final exam**. Exams are **not** cumulative.

Make-up exams will **not** be given without prior approval of the instructor. Students who miss an exam without prior approval will receive a zero grade on that exam. Approved make-up exams **must** be completed within one week.

GRADING PROCEDURES

Grades will be based on:

Class Participation	(10 %)
Homework	(30 %)
Midterm	(30 %)
Final Exam	(30 %)

Late Policy:

- Late homework submissions will be assessed a 10% penalty. If a student has a family / health / emergency situation, they should email the professor BEFORE the due date to seek an extension for the homework.

ACADEMIC INTEGRITY

Undergraduate Honor System

Enrollment into the undergraduate class of Stevens Institute of Technology signifies a student's commitment to the Honor System. Accordingly, the provisions of the Stevens Honor System apply to all undergraduate students in coursework and Honor Board proceedings. It is the responsibility of each student to become acquainted with and to uphold the ideals set forth in the [Honor System Constitution](#). More information about the Honor System including the constitution, bylaws, investigative procedures, and the penalty matrix can be found online at <http://web.stevens.edu/honor/>

The following pledge shall be written in full and signed by every student on all submitted work (including, but not limited to, homework, projects, lab reports, code, quizzes and exams) that is assigned by the course instructor. No work shall be graded unless the pledge is written in full and signed.

"I pledge my honor that I have abided by the Stevens Honor System."

Reporting Honor System Violations

Students who believe a violation of the Honor System has been committed should report it within ten business days of the suspected violation. Students have the option to remain anonymous and can report violations online at www.stevens.edu/honor.

EXAM ROOM CONDITIONS

The following procedures apply to homework assignments and exams for this course. As the instructor, I reserve the right to modify any conditions set forth below by printing revised Exam Room Conditions on the quiz or exam.

1. Students may use the following devices during exams. Any electronic devices that are not mentioned in the list below are not

Device	Permitted?	
	Yes	No
Laptops	X	
Cell Phones	X	
Tablets	X	
Smart Watches	X	

Google Glass	X
Other (Calculator)	X

2. Students may use the following materials during exams. Any materials that are not mentioned in the list below are not

Material	Permitted?	
	Yes	No
Handwritten Notes	X	
Typed Notes	X	
Textbooks	X	
Readings	X	
Other (specify)		

3. Students are not permitted to work with or talk to other students during exams.

LEARNING ACCOMODATIONS

Stevens Institute of Technology is dedicated to providing appropriate accommodations to students with documented disabilities. Student Counseling and Disability Services works with undergraduate and graduate students with learning disabilities, attention deficit-hyperactivity disorders, physical disabilities, sensory impairments, and psychiatric disorders in order to help students achieve their academic and personal potential. They facilitate equal access to the educational programs and opportunities offered at Stevens and coordinate reasonable accommodations for eligible students. These services are designed to encourage independence and self-advocacy with support from SCDS staff. The SCDS staff will facilitate the provision of accommodations on a case-by-case basis. These academic accommodations are provided at no cost to the student.

Disability Services Confidentiality Policy

Student Disability Files are kept separate from academic files and are stored in a secure location within the office of Student Counseling, Psychological & Disability Services. The Family Educational Rights Privacy Act (FERPA, 20 U.S.C. 1232g; 34CFR, Part 99) regulates disclosure of disability documentation and records maintained by Stevens Disability Services. According to this act, prior written consent by the student is required before our Disability Services office may release disability documentation or records to anyone. An exception is made in unusual circumstances, such as the case of health and safety emergencies.

For more information about Disability Services and the process to receive accommodations, visit <https://www.stevens.edu/sit/counseling/disability-services>. If you have any questions please contact:

Lauren Poleyeff, Psy.M., LCSW - Disability Services Coordinator and Staff Clinician in Student Counseling and Disability Services at Stevens Institute of Technology at lpoleyef@stevens.edu or by phone (201) 216-8728.

INCLUSIVITY STATEMENT

Stevens Institute of Technology believes that diversity and inclusiveness are essential to excellence in education and innovation. Our community represents a rich variety of backgrounds, experiences, demographics and perspectives and Stevens is committed to fostering a learning environment where every individual is respected and engaged. To facilitate a dynamic and inclusive educational experience, we ask all members of the community to:

- be open to the perspectives of others
- appreciate the uniqueness their colleagues
- take advantage of the opportunity to learn from each other
- exchange experiences, values and beliefs
- communicate in a respectful manner
- be aware of individuals who are marginalized and involve them
- keep confidential discussions private

RELIGIOUS OBSERVANCE

Stevens is a very diverse community in which many different religious and ethnic groups are represented. Religious observance is an important reflection of diversity. Stevens is committed to providing equal educational opportunities and supporting students of all belief systems. Students will not be subject to any grade penalties for missing a class, examination or any other course requirement due to a religious observance. Students will not be asked to choose between religious observance and academic work. Therefore, students should inform the instructor in the beginning of the semester if a requirement for this course conflicts with religious observance so that accommodations can be made for students to observe religious practices and complete the requirements for the course.