ECN 301: Intermediate Microeconomics

Summer 2019, Session II

Instructor:	Giuseppe Germinario	**Time:**	Mon-Thurs, 4:00 – 5:45pm
Email:	grgermin@syr.edu	**Place:**	HBC 213A
Office Hours:	Mon & Wed, 12:45 – 2:45pm		
	Eggers 026		

Course Description

This course details the fundamental concepts and tools of microeconomic analysis at the intermediate level. The core material consists of producer theory and the theory of the consumer, as well as their interaction in a competitive market equilibrium. Additional key topics will cover important departures from the standard theory, including issues of market power, externalities, public goods, and (if time permits) asymmetric information. Applications to public policy will also be discussed throughout the class. Finally, while proficiency in the use of models and analytical tools is a major goal of the course, there will also be a strong emphasis on developing the student's economic intuition.

Prerequisites

Formally, the prerequisite for this course is completion of a principles class in microeconomics (that is, either ECN 101 or ECN 203). Informally, the student should be at least somewhat familiar with the ideas captured in a typical supply-and-demand graph. It will also be necessary to be comfortable with graphing in a coordinate plane and working through relatively straightforward algebra. To ensure everyone is on equal footing, the first classes will serve as a review of the relevant topics, and I will of course be available in office hours and by email to answer any lingering questions.

Textbook Information

The official textbook listed for the course is *Microeconomics, Second Edition* by Austan Goolsbee, Steven Levitt, and Chad Syverson. While I do not require the purchase of the book, it may be useful to have as a reference, and the review questions and problems at the end of the chapters might be helpful in completing assignments/problem sets and preparing for the exams.

Another very good reference is *Intermediate Microeconomics* by Hal Varian (any of the recent editions).

Course Website

Assignments, problem sets, additional lecture notes, and updated versions of this syllabus will be added to Blackboard as the class progresses. Please also be sure to either check that you are receiving Blackboard announcements to your SU email or check Blackboard itself regularly for potential news or changes.

Assessment Components

- *Exams* [two highest exams 30% each, lowest exam 15%]. There will be three exams during the course: one to cover producer theory, one to cover consumer theory, and a "final" to cover the material on competitive equilibrium and market imperfections. Note that excusal of absences for an exam will only be granted under extreme circumstances. Please communicate with me prior to the exam date should an issue arise.

- *Problem Sets* [15%]. There will also be three problem sets, one for each of producer theory, consumer theory, and competitive equilibrium. These will generally have three parts. The first will contain problems which are very similar to those covered in class, while the second will add a small "twist" to the problems so that there is both a review of the base topics and an extension. Finally, the third part will present a news/policy item related to the material and ask for a brief interpretation using the intuition from our models. While each student must submit their own problem set, I do encourage collaboration with (but not simply copying) one another. Late submissions will be given a maximum of half credit for the first 24 hours after a deadline, and then will not be accepted (for credit) afterwards.

- *In-class Assignments* [5%]. During most classes, we will work on a problem or two together that I will then collect. This is intended to incentivize attendance and participation, as well as provide practice for the problem sets and exams. There are no make-ups for these assignments. Your lowest score will not count against you.

- *Review Quizzes* [5%]. As part of the math review section, there will be an in-class quiz on **Wednesday, July 3**. As part of the supply-and-demand review, I will assign a take-home quiz after the first week of class that will be due on **Monday, July 8**. In contrast to the problem sets, I ask that you complete the take-home quiz on your own.

- *Extra Credit*. I will occasionally post short exercises on Blackboard that you may complete for an extra credit point.[1] How this will work is that, along with your answer, you specify a grading component that you would like to "spend" the point on. So, for example, if you've missed an in-class assignment, you could request the point to be added to the *In-class Assignment* category. (Keep in mind that the destination of the extra credit points is final; you will not be permitted to reallocate them at the end of the course in order to optimize your final grade.)

Grading Scale

Grade	Interval	Grade	Interval
A	$[93, 100]$	C+	$[77, 79]$
A-	$[90, 92]$	C	$[73, 76]$
B+	$[87, 89]$	C-	$[70, 72]$
B	$[83, 86]$	D	$[60, 69]$
B-	$[80, 82]$		

Note: Grades in between the intervals (say, a 89.2) will be rounded up (to, say, 90) provided that you have completed at least one of the extra credit exercises.

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[1]To check whether you've read this syllabus, the first extra credit is the following. Using the grading weights listed above, write down an algebraic expression that would allow you to plug in scores and figure out hypothetical final grades for the course. Email the expression to me by midnight on Friday, July 5, along with where you would like to allocate the extra point.

University Policies

- **Academic Integrity**: "Syracuse University's Academic Integrity Policy reflects the high value that we, as a university community, place on honesty in academic work. The policy defines our expectations for academic honesty and holds students accountable for the integrity of all work they submit. Students should understand that it is their responsibility to learn about course-specific expectations, as well as about university-wide academic integrity expectations. The policy governs appropriate citation and use of sources, the integrity of work submitted in exams and assignments, and the veracity of signatures on attendance sheets and other verification of participation in class activities. The policy also prohibits students from submitting the same work in more than one class without receiving written authorization in advance from both instructors. Under the policy, students found in violation are subject to grade sanctions determined by the course instructor and non-grade sanctions determined by the School or College where the course is offered as described in the Violation and Sanction Classification Rubric." Full details are available at http://class.syr.edu/academic-integrity/policy/.

- **Disability Statement**: "Syracuse University values diversity and inclusion; we are committed to a climate of mutual respect and full participation. There may be aspects of the instruction or design of this course that result in barriers to your inclusion and full participation in this course. I invite any student to meet with me to discuss strategies and/or accommodations (academic adjustments) that may be essential to your success and to collaborate with the Office of Disability Services (ODS) in this process. If you would like to discuss disability-accommodations or register with ODS, please visit their website at http://disabilityservices.syr.edu. Please call (315) 443-4498 or email disabilityservices@syr.edu for more detailed information.

  ODS is responsible for coordinating disability-related academic accommodations and will work with the student to develop an access plan. Since academic accommodations may require early planning and generally are not provided retroactively, please contact ODS as soon as possible to begin this process."

- **Religious Observances**: "Syracuse University recognizes the diverse faith traditions represented among its campus community and supports the rights of faculty, staff, and students to observe according to these traditions." Please try to give notice of any needed accommodation at least a week in advance so that we can coordinate a time to make up any assignments that may be due on the day of observance.

Tentative Schedule

- **Week 1**: Math and Micro Principles Review

  - Slope and tangency
  - Graphing techniques
  - Working with equations

  $\rightarrow$ Math Review Quiz
  July 3, in class

  - Demand determinants and shifters
  - Supply determinants and shifters
  - Equilibrium with supply-and-demand graphs
  - Elasticity concepts

  $\rightarrow$ S&D Take-home Quiz
  Due **July 8**, beginning of class

- **Weeks 2-3**: Producer Theory

  - Basic assumptions and terminology
  - Short- versus long-run
  - Isoquants and isocost curves
  - Cost minimization
  - Factor demands

  $\rightarrow$ Problem Set 1
  Due *Sunday*, **July 14**, by 11:59pm
  (via email)

  Producer Exam
  Tuesday, **July 16**, in class

- **Weeks 3-5**: Consumer Theory

  - Basic assumptions and terminology
  - Indifference curves
  - Marginal rate of substitution
  - Budget constraint
  - Utility maximization
  - Individual demand
  - Income and substitution effects

  $\rightarrow$ Problem Set 2
  Due **July 25**, beginning of class

  Consumer Exam
  Monday, **July 29**, in class

- **Weeks 5-6**: Competitive Equilibrium, Market Imperfections, and Market Failure

    – Assumptions of perfect competition

    – Firm profit maximization

    – Individual firm and market supply

    – Firm entry and exit in a long-run
      competitive equilibrium

    – Aggregating individual demand to
      market demand   →

    – Market efficiency and welfare analysis

    – Monopoly and monopsony

    – Externalities and public goods

    – Problems of asymmetric information
      (time permitting)

Problem Set 3
Due **August 7**, beginning of class

Final Exam
August 8, in class