

Economics 201.2A  
Intermediate Microeconomics  
Spring 2012  
T/Th 10:00-11:15 a.m.

Instructor: Frank Maddox  
318 Seney Hall  
Phone-784-8357  
Office Hours: M-Th: 1:00-2:00 p.m..

Course Description: Econ 201 deals with contemporary microeconomic theory. Building upon concepts developed in the principles level course, Econ 201 formalizes the theory using mathematical as well as graphical analysis. The course is designed for students who wish access to material covered in higher level micro or business school courses; Econ 201 is typically taken by students who intend to take a variety of upper level economics courses such as international trade theory, labor economics, etc. Students who pursue a business curriculum will find that microeconomics provides the theory for many approaches to decision-making in the business environment.

The course opens with a review of the market mechanism familiar from the principles course in micro. Next, a model of consumer behavior is generated to provide the basis for the demand curve of the market mechanism. This consumer model, which is based upon the utility maximization principle, is presented graphically using indifference curve analysis. Two-person exchange is established using the Edgeworth Box and the consumer model.

The behavior of firms is examined next. The short-run production function and resultant cost function of the firm is examined in detail. The four industry models of perfect competition, monopolistic competition, oligopoly, and monopoly are examined. In all cases the behavior of the firm is postulated given the assumption of a profit maximization motive. The long-run behavior of perfectly competitive firms is examined in order to construct the market supply curve of the market mechanism. Alternative motives to short-run profit maximization are explored. Oligopoly models of strategy provide a departure from graphical analysis; students will explore game theory and other techniques for modeling strategies resulting from mutual interdependence of firms.

General equilibrium analysis allows the student to observe the interdependence of the different markets examined in isolation during the semester. Finally, resource markets are examined with special emphasis upon labor markets.

Course Objective: The goal of Econ 201 is to develop a framework of analysis for understanding the behavior and outcomes resulting from activity in individual markets. Students will manipulate graphical and mathematical models that allow a more precise analysis than was possible at the principles level. The course will provide the student with analytical tools necessary for higher level courses that employ microeconomic theory.

Method of Instruction: Econ 201 is taught through a combination of lecture, discussion, homework (including Aplia) and examinations. Student participation comprises an integral part of the class pedagogy. Students should expect to routinely solve problems and explore graphical models at the blackboard. Homework assignments will involve periodic student presentations of current events relevant to the course. We will use “iclicker” personal response devices—the iclicker will be used to monitor class participation, and enhance engagement during the class. I will provide you with iclickers—you do not need to purchase one.

Honor Code: Students should re-read the honor code since the honor code is strictly enforced in this course.

Texts/Other Materials to be Purchased by Student:

Browning, Edgar K. and Zupan, Mark. Microeconomics: Theory and Applications, 10<sup>th</sup> edition. Wiley Press. ISBN 9780470128916

Aplia Homework Product: Course Key: PHWN-PTZZ-Y2E8

Examinations, Homework, and Quizzes: There will be two in-term exams and a comprehensive final exam. Several homework/problem sets/writing prompts/announced quizzes/student presentations will be assigned during the semester.

An on-line homework product, Aplia, will provide students practice with the models encountered in the course and quick feedback regarding their proficiency with the models.

Student work submitted as part of this course may be reviewed by Oxford College and Emory College faculty and staff for the purposes of improving instruction and enhancing Emory education.

Grading Policy: Each exam accounts for 28% of the course grade. The homework/problem set/other component of the course accounts for the remaining 16% of the grade.

A = 94 up to 100

A- = 90 up to 94

B+ = 87 up to 90

B = 84 up to 87

B- = 80 up to 84

C+ = 77 up to 80

C = 74 up to 77

C- = 70 up to 74

D+ = 67 up to 70

D = 60 up to 67

F = 0 up to 60

Attendance Policy: Attendance is required and will be recorded during each class. Students who miss more than two classes will lose one point from their final class average for each miss in excess of two.

Make-up Examination Policy: Make-ups will be permitted only with written support (approved by the instructor) of serious situations that preclude the student's ability to take the exam during the scheduled time.

### Important Dates

Spring 2012		
January 16	Monday	Martin Luther King Jr. Holiday
January 17	Tuesday	Registration/New student orientation; \$150 late fee after this date
January 18	Wednesday	Classes begin
January 25	Wednesday	Last day for changing courses
March 7	Wednesday	Midterm Deficiency report due online
March 9	Friday	Last day for dropping courses without academic penalty
March 12-16	Monday-Friday	Spring recess
March 27, 29	Tuesday, Thursday	Preregistration for fall semester
April 30, May 1	Monday, Tuesday	Physical education exam on last day of classes
May 1	Tuesday	Classes end
May 2	Wednesday	Reading Day
May 3-4, 7-9	Thu.-Fri., Mon.-Wed.	Final Exams
May 12	Saturday	Commencement

## Final Exam Schedule

<b>TIME OF EXAM</b>	Thursday May 3	Friday May 4	Monday May 7	Tuesday May 8	Wednesday May 9
<b>9:00 – 12:00</b>	2:30 T/TH	3:30 MW	10:00 T/TH	10:40 MWF	1:00 T/TH
<b>2:00 – 5:00</b>	9:35 MWF	2:00 MW	11:45 MWF	11:30 T/TH	4:15 T/TH
<b>7:00-10:00</b>	12:50 MWF		CONFLICT EXAM	8:30 MWF	

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## Course Outline

Week 1 – January 18-20

Chapter 1 An Introduction to Microeconomics  
Chapter 2 Supply and Demand

Week 2- January 23-27

Chapter 3 The Theory of Consumer Choice

Week 3 – January 30-February 3

Chapter 4 Individual and Market Demand

Week 4- February 6-10

Chapter 5 Using Consumer Choice Theory

Week 5 – February 13-17

Chapter 6 Exchange, Efficiency, and Prices

Chapter 7 Production

Week 6 - February 20-24

Exam 1- February 21<sup>st</sup> Chapters 1-7

Chapter 8 The Cost of Production

Week 7- February 27-March 2

Chapter 8 The Cost of Production (cont.)

Chapter 9 Profit Maximization in Perfectly Competitive Markets

Week 8- March 5-9

Chapter 10 Using the Competitive Model

Chapter 11 Monopoly

Week 9- March 12-16

Spring Break

Week 10 - March 19-23

Chapter 12 Product Pricing with Monopoly Power

Chapter 13 Monopolistic Competition and Oligopoly

Week 11 - March 26-30

Chapter 14 Game Theory and the Economics of Information

March 29<sup>th</sup> Exam 2 –Chapters 8-14

Week 12 – April 2-6

Chapter 15 Using Noncompetitive Market Models

Chapter 16 Employment and Pricing of Inputs

Week 13 – April 9-13

Chapter 17 Wages, Rent, Interest, and Profit

Week 14- April 16-20

Chapter 18 Using Input Market Analysis

Week 15 – April 23-27

Chapter 19 General Equilibrium Analysis and Economic Efficiency

Week 16 – April 30-May 1

Chapter 20 Public Goods and Externalities

May 2- Reading Day

**Comprehensive Final Exam – May 7<sup>th</sup> 9:00-12:00 in classroom**