

ECON\_OX 201-10J(5339)  
Intermediate Microeconomics  
Spring 2014  
TuTh 10:00AM - 11:40AM; Seney 322

Instructor: Frank Maddox  
318 Seney Hall  
Phone-784-8357  
Office Hours: M-Th: 1:00-1:40 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, 11<sup>th</sup> edition. Wiley Press. ISBN 9780470128916  
Aplia Homework Product: Course Key: CMY4-C5K8-CVCS

Examinations, Homework, and Quizzes: There will be two in-term exams and a comprehensive final exam (more emphasis on material since exam 2). 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

January 14	Tuesday	Classes begin
January 20	Monday	Martin Luther King Jr. Holiday
January 21	Tuesday	Last day for changing courses
March 7	Friday	Last day for dropping courses without academic penalty
March 10 - 14	Monday - Friday	Spring Break
April 4	Friday	Last day for one time course withdrawal for freshmen
April 28	Monday	Classes end
April 29	Tuesday	Reading Day
April 30 - May 2 May 5 - 7	Wednesday - Friday Monday - Wednesday	<a href="#">Final Exams</a>
May 10	Saturday	Commencement
May 12	Monday	End of Term

Final Exam – Wednesday, April 30<sup>th</sup> Seney 322—2:00-5:00 p.m.

### Course Outline

Week 1. January 14-17.

Chapter 1 An Introduction to Microeconomics

Chapter 2 Supply and Demand

Week 2. January 20-24.

Chapter 3 The Theory of Consumer Choice

Week 3. January 27-31.

Chapter 4 Individual and Market Demand

Week 4. February 3-7.

Chapter 5 Using Consumer Choice Theory

Week 5. February 10-14.

Chapter 6 Exchange, Efficiency, and Prices

Chapter 7 Production

Week 6. February 17-21

**Exam 1- Feb 18 - Chapters 1-7**

Chapter 8 The Cost of Production

Week 7. February 24-28

Chapter 8 The Cost of Production (cont.)

Chapter 9 Profit Maximization in Perfectly Competitive Markets

Week 8. March 3-7.

Chapter 10 Using the Competitive Model

Chapter 11 Monopoly

Week 9. March 10-14 Spring Break .

Week 10. March 17-21.

Chapter 12 Product Pricing with Monopoly Power

Chapter 13 Monopolistic Competition and Oligopoly

Chapter 14 Game Theory and the Economics of Information

Week 11. March 24-28.

John Nash Movie

**March 27- Exam 2 –Chapters 8-14**

Week 12. March 21-April 4.

Chapter 15 Using Noncompetitive Market Models

Chapter 16 Employment and Pricing of Inputs

Week 13. April 7-11.

Chapter 17 Wages, Rent, Interest, and Profit

Week 14. April 14-18.

Chapter 18 Using Input Market Analysis

Week 15. April 21-25.

Chapter 19 General Equilibrium Analysis and Economic Efficiency

Week 16. April 28.

Review/Course Evaluation

Comprehensive Final Exam – Wednesday, April 30<sup>th</sup> Seney 322—2:00-5:00 p.m.

