

Intermediate Economic Theory (ECON 301)

Section 002, Fall 2021, 3 credits

Business & Economics Building | Room 230 | TR | 2:30 PM - 3:45 PM

Instructor: Josh Martin

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Office Hours: 9:00AM – 12:00PM W or by appointment

Office Location: 439 B&E

Prerequisites

ECON 201 or ARE 150

Course Description

Intermediate Microeconomic Theory is designed to extend your knowledge of basic microeconomic principles introduced in Econ 201. Microeconomics studies the behavior of individual consumers, firms, and other economic agents that influence markets, such as the government. Using economic theories and models to study the behavior of economic agents helps us to better understand contemporary real world economic and business issues, as well as personal issues.

The course begins with basic concepts of the market: supply, demand and market equilibrium. We then look at principles underlying consumer choices and individual and market demand. Next we consider individual firm behavior including profit maximization and cost minimization under perfect competition. We then evaluate the welfare effects of various government interventions in perfectly competitive markets such as price ceilings, price floors, taxes and subsidies. We conclude with a look at pricing with market power.

Method of Instruction

Lecture

Course Textbook

We will be using the first edition of Patrick Emerson's *Intermediate Microeconomics* textbook. You may download it [here](#).

I will attempt to cover either half or an entire module from the textbook for each lecture. The schedule for the course with the corresponding textbook Modules can be found in the schedule at the end of this document. Reading this material before class is highly encouraged.

Expected Learning Outcomes

Learning Objectives: Upon completion of this course, students should be able to:

1. Explain the concept of elasticity and compute elasticities;
2. explain the concept of consumer preferences, utility, choice and demand;
3. use constrained optimization to analyze consumer behavior and derive an individual's demand curve;

4. use constrained optimization to analyze firm behavior, including profit maximization and cost minimization;
5. analyze behavior in competitive markets;
6. analyze behavior of monopolists;
7. use microeconomic theory to explain and analyze the economic implications of various government policies, such as the impact of trade restrictions or minimum wages on economic welfare; and
8. describe different ways of pricing with market power.

General Course Policies and Expectations

- Students should attend every class meeting. I will have an attendance question or quiz each class. You are responsible for making it to class.
- Please come see me during office hours if questions persist **after** reading the relevant chapter and attending the related lecture.
- Reading the assigned chapters of the textbook before coming to class is beneficial to understanding the material.
- Eating or drinking in class is against building rules, can be rude to your instructor and classmates, and therefore is discouraged.
- Engaging in private conversations, reading materials unrelated to the class, leaving the classroom unnecessarily, or any other activity that creates negative externalities for others in the class should be avoided. This includes use of electronic devices in the classroom in a manner that is not consistent with the educational process.
- Students should check their school email regularly as email will be my primary form of mass communication with the class.

Grading

The class will meet from August 19, 2021 – December 15, 2021. We have no class on October 7th, November 23rd or November 25th.

Exams

There are 4 exams and one comprehensive final. Each 1 will serve as a review and will cover derivatives and Modules 8-11 from the textbook. Exam 2 will cover Modules 1-4. Exam 3 will cover Modules 5-7. Exam 4 will cover chapters 17-18. While the final will cover at least one concept from Exams 1-4 as well material from Modules 14, 22, 23. **December 17th from 10AM-12 PM is reserved for the comprehensive final exam.**

An absence during an exam day that is not explicitly approved by the University or recommended by a medical doctor will be counted as a zero. However, the final can replace your lowest exam grade to make up for this.

Attendance

Opportunity costs are dynamic, and unpredictable events will happen to each of us as the semester goes on. Thus, attendance will be graded leniently will 110 points awarded to each student at the beginning of the class. Students will lose points for each absence and will be

graded on a scale of 100 at the end of the semester. Attendance grades > 100 will be carried over and converted into extra credit.

However, in order to disincentive long periods of consecutive absences, a non-linear absence penalty will be employed. This penalty will take the form: $\Sigma 2^N$, where N = the students' number of consecutive absences. Missing one class will result in a deduction of 2 points, one week = 4 points, 3 weeks = 64 points, and so on. N will reset upon attending class.

Attendance grades will be updated on eCampus before the next class. It is your job to alert me immediately to any inconsistencies that you see arise within 7 days of the event in question. All medical or university-approved absences will be excused.

Breakdown of Credit:

Attendance	18 percent
Exam 1	15 percent
Exam 2	15 percent
Exam 3	15 percent
Exam 4	15 percent
Final Exam	25 percent
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Total	103 percent

Grading Scale

Percent	Letter Grade
94+	A+
94-90	A
89-80	B
79-70	C
69-60	D
< 60	F
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COVID-19 Policy

WVU is committed to maintaining a safe learning environment for all students, faculty, and staff. Should campus operations change because of health concerns related to the COVID-19 pandemic or other campus-wide emergency, it is possible that this course will move to a fully online delivery format. If that occurs, students will be advised of technical and/or equipment requirements, including remote proctoring software.

In a face-to-face environment, our commitment to safety requires students, staff, and instructors to observe the social distancing and personal protective equipment (PPE) guidelines set by the University at all times. While in class, students will sit in assigned seats when required and will wear PPE according to current University guidelines. Students who fail to comply may be referred to the Office of Student Conduct for sanctions.

As detailed in the policy, students who becomes sick or are required to quarantine during the semester should notify the instructor. Students should then work with the instructor to develop a plan to complete the course learning outcomes while he or she is absent.

Adverse Weather Statement

In the event of inclement or threatening weather, everyone should use his or her best judgment regarding travel to and from campus. Safety should be the main concern. If you cannot get to class because of adverse weather conditions, you should contact your instructor as soon as possible. Similarly, if your instructor(s) are unable to reach the class location, they will notify you of any cancellation or change as soon as possible, using agreed upon methods to prevent students from embarking on any unnecessary travel. If you cannot get to class because of weather conditions, instructors will make allowances relative to required attendance policies, as well as any scheduled tests, quizzes, or other assessments.

Inclusivity

The West Virginia University community is committed to creating and fostering a positive learning and working environment based on open communication, mutual respect, and inclusion. If you are a person with a disability and anticipate needing any type of accommodation in order to participate in your classes, please advise your instructors and make appropriate arrangements with the Office of Accessibility Services.

(<https://accessibilityservices.wvu.edu/>)

Academic Integrity

The integrity of the classes offered by any academic institution solidifies the foundation of its mission and cannot be sacrificed to expediency, ignorance, or blatant fraud. Therefore, instructors will enforce rigorous standards of academic integrity in all aspects and assignments of their courses. For the detailed policy of West Virginia University regarding the definitions of acts considered to fall under academic dishonesty and possible ensuing sanctions, please see the West Virginia University Academic Standards Policy. Should you have any questions about possibly improper research citations or references, or any other activity that may be interpreted as an attempt at academic dishonesty, please see your instructor before the assignment is due to discuss the matter.

Mental Health

College students commonly experience issues that may interfere with academic success. Stress, sleep problems, relationship and social concerns, adjustment to college, financial problems, family issues, discrimination, or anxiety and depression all affect one's ability to remember, learn, and perform. If you (or a friend) are struggling, we strongly encourage you to seek support. Supportive resources are available on campus, and most are at no-charge. The Carruth Center for Psychological and Psychiatric Services (CCPPS) offers consultations, short-term individual therapy, group therapy, and various mental health-related workshops. Virtual and in-person (outside of pandemic situations) services are available. Crisis services are also available 24/7/365.

Please call (304) 293-4431 to schedule an appointment or speak to a professional for help in a crisis. For more mental health resources and information, visit the CCPPS website at:

<https://carruth.wvu.edu/> Crisis services are also available through text: Text WVU to 741741 for support 24/7 from a trained Crisis Counselor.

Schedule

Week	Date	DOW	Due	Readings	Topic
1	8/19/2021	R		Syllabus	Calculus Review
2	8/24/2021	T		10	Market Equilibrium
	8/26/2021	R		11	Comparative Statics
3	8/31/2021	T		8, 9	Profit Maximization
	9/2/2021	R	Exam 1		
4	9/7/2021	T		1.1-1.3	Preferences
	9/9/2021	R		1.4-1.6	Indifference Curves
5	9/14/2021	T		2.1-2.3	Utility Functions
	9/16/2021	R		2.4-2.5	Utility Functions
6	9/21/2021	T		3.1-3.3	Budget Constraints
	9/23/2021	R		3.4-3.5	Budget Constraints
7	9/28/2021	T		4.1-4.2	Consumer Choice
	9/30/2021	R		4.3-4.4	Consumer Choice
8	10/5/2021	T	Exam 2		
	10/7/2021	R	No Class		
9	10/12/2021	T		5	Individual Demand
	10/14/2021	R		5	Income Effects
10	10/19/2021	T		5	Substitution Effects
	10/21/2021	R		22	Asymmetric Information
11	10/26/2021	T		22	Asymmetric Information
	10/28/2021	R		23	Uncertainty and Risk
12	11/2/2021	T		23	Uncertainty and Risk
	11/4/2021	R		5, 22-23	Review
13	11/9/2021	T	Exam 3		
	11/11/2021	R		17	Intro to Game Theory
14	11/16/2021	T		17	Normal Form Games
	11/18/2021	R		17	Mixed Strategy Games
15	11/23/2021	T	No Class		
	11/25/2021	R	No Class		
16	11/30/2021	T		17	Extensive Form Games
	12/2/2021	R		17	Repeated Games
17	12/7/2021	T		17	Review
	12/9/2021	R	Exam 4		
18	12/17/2021	F (10am)	Final Exam		