

Department of Economics

ECON 520 – Intermediate Microeconomics (ZB)

Fall 2011

Class Schedule: MW 5:30-7:55 PM

Class Room: Waters Hall 348

Prerequisite: ECON 120 or equivalent

Instructor: Luo, Zijun

Email: luozijun@ksu.edu

Office: Waters Hall 302B

Office Hours: MW 4:00-5:00 PM
or by appointment**Final Exam: December 7th, Wednesday, In Class****Course Description**

Microeconomics is about our everyday lives, is about individual choices. As an intermediate level economics course, ECON520 will be more analytical and mathematical than principle level courses (ECON120 & ECON110). The main differences between intermediate and principle courses are, 1) using more problem-solving skills (such as graphs and mathematics); 2) emphasizing theories more systematically; 3) stressing critical thinking more deeply. This is also a very important class if you are considering continue your economics study as a graduate student.

Textbook(s)

Here is the textbook, which is optional:

Jack Hirshleifer, Amihai Glazer and David Hirshleifer, "Price Theory and Applications", 7th edition. Cambridge University Press, 2005.

You may use the 6th edition of the same book, written by Jack Hirshleifer and David Hirshleifer. I will provide page numbers to both editions in lecture notes. You can find information about other widely used intermediate microeconomics textbooks at the following URL:

<http://www.luo zijun.com/520/TextbookInfo.html>

If you already have any of the textbooks in the list (or other intermediate microeconomics textbooks), you don't have to purchase the one I assigned. But you should to send me an email to let me know what textbook you will be reading.

Study Advice

Although handouts will be given periodically, I highly recommend you to attend every class. Many researches by economists show high and positive relationships between class attendance and a student's final grade. The difference between class presentations and handouts is that presentation is

dynamic so that you can follow the thinking process which is critical for you to do well in exams. In general, handouts contain blank space for you to fill in graphs in classes. Intermediate microeconomics, as mentioned by my previous students, could be the hardest economics class you ever take. Students missed class generally did not do well in exams.

It will be very helpful to connect microeconomic theory to your real life. As I always emphasize, microeconomics is all about individual choices. And your choices of course are part of “individual choices”. So it’s very important to use economics or at least recognize economics in everyday lives. You can get deeper understanding about a theory if you can use it to explain your own story. You would need to “think like an economist” in some homework assignments.

Course Outline

Lecture 1 Utility, Preference and Indifference Curve
Lecture 2 Budget Constraint and Consumer’s Utility Maximization Problem
Lecture 3 Comparative Statics in Consumer Theory
Lecture 4 Income Effect and Substitution Effect
Lecture 5 Demand Function and Elasticity
Lecture 6 Short-Run Analysis of Supply and Producer’s Profit Maximization Problem
Lecture 7 Input, Technology, and Producer’s Cost Minimization Problem in the Long-Run
Lecture 8 Short-Run versus Long-Run in Producer Theory
Lecture 9 Game Theory
Lecture 10 Market Structure
Lecture 11 Welfare Analysis, Efficiency, and Public Good

Class Schedule

October 12 W: Lecture 1
October 17 M: Lecture 2 & Homework 1 due
October 19 W: Lecture 3
October 24 M: Lecture 4 & Homework 2 due
October 26 W: Lecture 5
October 31 M: Mid-term 1 & Lecture 6
November 2 W: Lecture 6 (cont.) & Lecture 7
November 7 M: Lecture 7 (cont.) & Homework 3 due
November 9 W: Lecture 8
November 14 M: Lecture 9
November 16 W: Mid-term 2 & Lecture 10
November 21 M: Holiday, no class
November 23 W: Holiday, no class
November 28 M: Lecture 10 (cont.) & Homework 4 due
November 30 W: Lecture 11
December 5 M: Lecture 11 (cont.) & Homework 5 due & Review for final exam
December 7 W: Final Exam

Homework Assignments and Exams

There will be 5 homework assignments, each worth 20 points. Due dates are announced in the class schedule. You can form groups to finish homework assignments but you have to hand in your own copy. Direct copying of homework answers from others is prohibited. Keep in mind that such behavior not only violates the university's policy on Academic Honesty (see below), but also potentially makes your exam grades to be unsatisfied. If you forget to hand in your homework assignments, let me know ASAP. Every student has one and only one chance to hand in late homework assignment.

There will be 2 mid-term exams plus 1 final exam, each worth 100 points. ALL EXAMS WILL BE COMMULATIVE. All exams will be given in class. We will still have lecture after mid-term exams. I will hold additional office hours before every mid-term exam. No review section will be given for mid-term exams but there will be an in-class review section before the final exam. Make-up exams will only be given with solid reasons and in general before the actual exam date. You have to notify me ahead to prove and schedule a make-up exam.

There will be 5 unannounced pop quizzes, each worth 20 points, during the semester.

Grading

Final grades are based on curved but in general you can expect

- A: 90% or above;
- B: 80% or above;
- C: 70% or above;
- D: 60% or above;
- F: Below 60%.

Classroom Policy

You are allowed to bring your laptop to class. You can walk out of the classroom anytime you want, but interrupting the class with a ringtone of cell phone and etc. is forbidden. In addition, no texting, no facebooking, and no twittering during classes.

Statement Regarding Academic Honesty

Kansas State University has an Honor System based on personal integrity, which is presumed to be sufficient assurance that, in academic matters, one's work is performed honestly and without unauthorized assistance. Undergraduate and graduate students, by registration, acknowledge the jurisdiction of the Honor System. The policies and procedures of the Honor System apply to all full and part-time students enrolled in undergraduate and graduate courses on-campus, off-campus, and via distance learning. The honor system website can be reached via the following URL: www.ksu.edu/honor.

A component vital to the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. The F indicates failure in the course; the X indicates the reason is an Honor Pledge violation.

Statements for Academic Accommodations for Students with Disabilities

Any student with a disability who needs a classroom accommodation, access to technology or other academic assistance in this course should contact Disability Support Services (dss@k-state.edu) and/or the instructor. DSS serves students with a wide range of disabilities including, but not limited to, physical disabilities, sensory impairments, learning disabilities, attention deficit disorder, depression, and anxiety.

Statement Defining Expectations for Classroom Conduct

All student activities in the University, including this course, are governed by the Student Judicial Conduct Code as outlined in the Student Governing Association By Laws, Article VI, Section 3, number 2. Students who engage in behavior that disrupts the learning environment may be asked to leave the class.

Statement for Copyright Notification

Copyright 2011 (Zijun Luo) as to this syllabus and all lectures. During this course students are prohibited from selling notes to or being paid for taking notes by any person or commercial firm without the express written permission of the professor teaching this course.

Economist Poem (From <http://netec.wustl.edu/JokEc.html>)

If you do some acrobatics/with a little mathematics/it will take you far along.
If your idea's not defensible/don't make it comprehensible/or folks will find you out,
And your work will draw attention/if you only fail to mention/what the whole thing is about.
You must talk of GNP/and of elasticity/of rates of substitution/and undeterminate solution/and oligonopopsony.

Kenneth E. Boulding