

PORTLAND STATE UNIVERSITY
Department of Economics
Spring 2014

EC311: INTERMEDIATE MICROECONOMIC THEORY

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Class Meetings: UTS 206
TR 12:00 – 1:50 pm.
Office Hours*
W 11:00 am – 1:00 pm
*By Appointment

Syllabus

Prerequisites Ec 201 [Principles of Microeconomics]

Course Description This course presents the basic models economists use to study how individual decisions by economic agents lead to efficient allocation of goods and factors of production in a market economy. The course focuses on both policy applications as well as business strategies. Topics include consumer choice, firm production and costs, and price and production strategies in perfectly competitive markets, monopoly markets, and duopoly markets.

Learning Goals The topics we study in microeconomics help us better understand how the world works and offer practical tools for decision making. Learning goals for students therefore include:

- 1) Thoroughly understand how individuals make consumption choices given a limited budget and how firms chose inputs to production to minimize costs in the short and long-run. Understand the structure and outcomes of competitive and non-competitive forms of market organization and the associated policy implications.
- 2) Competently apply consumer and producer theory to analyze market outcomes and evaluate economic problems.

Mastering these goals is critical for economics majors to successfully progress through the economics major. Microeconomics is an exciting and dynamic subject and the objective of this course is to help students build an appreciation for its relevance and usefulness.

Learning Resources Pindyck, R. and Rubinfeld, D. *Microeconomics*, Eighth Edition, Pearson Prentice Hall, 2013.

Students must also purchase a MyEconLab access code through the PSU bookstore or online from www.pearsonmylabandmastering.com to complete all homework assignments.

Graded Components

This course involves a significant amount of homework designed to give students plenty of “hands-on experience” with the models and theories covered in class. Homework assignments will require completion of exercises that also require students to work through applications. Assignments and exams are discussed in more detail below:

1. Five problem sets will be assigned and graded but only four of these will count toward the final course grade (assignment with the lowest score will be dropped). Each homework assignment is worth 10% of the course grade for a total of 40% (after dropping the lowest homework grade). Homework assignments are intended to facilitate comprehension and practice with application of models and theories (learning objective 1).
2. There will be a midterm and a final exam each worth 30% of the course grade. Midterm and final exams are designed to test the extent to which students have mastered microeconomic theories, including problem solving and application of techniques covered in class to the analysis of common economic problems (learning objective 2).

Policies

- ◆ Exams cannot be rescheduled. Please DO NOT enroll in this course unless you can take the exams at their scheduled times (see “Tentative Schedule” section). The only exceptions to this rule are: (i) documented medical emergencies; and (ii) absence due to active military, police, and/or jury duty (need letter from the appropriate official).
 - ◆ If you arrive more than 20 minutes after the time an exam is scheduled to begin, you will not be allowed to take that exam.
 - ◆ Concerns and questions related to graded components in this class need to be resolved within two weeks from the date the assignment (or exam) in question has been graded and returned.
 - ◆ Improving your grade through “extra work” is not an option in this class! In addition, an *Incomplete* (letter grade “I”) or a *No Basis for a Grade* (letter grade “X”) is not to be viewed as a substitute for a failing grade in this course (letter grade “F”).
 - ◆ Students with documented learning disabilities or special needs, must contact me at least a week in advance of scheduled exams if use of the Testing Center’s facilities is required. It is the student’s responsibility to arrange for accommodations through the Testing Center and provide me with the appropriate documentation in the beginning of the semester.
 - ◆ Academic Integrity: Please familiarize yourself with the Portland State Student Code of Conduct (<http://www.pdx.edu/dos/codeofconduct>). Minimum penalty for academic dishonesty in this class will be letter grade “F” for the assignment or exam in question.
 - ◆ Turn off your cellular phone or any other device that may disturb, disrupt, or in any way impede the learning process during class meetings.
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Tentative Schedule

Week One	<u>Part I - Introduction: Markets and Prices</u> <ul style="list-style-type: none">• Math review - Functions and Graphs• Chapter 1 - Preliminaries
Week Two	<u>Part II - Producers Consumers and Competitive Markets</u> <ul style="list-style-type: none">• Chapter 2 - The Basics of Supply and Demand• Homework Assignment No. 1: <u>Due Thursday, April 10th, 2014</u>
Week Three	<ul style="list-style-type: none">• Chapter 3 - Consumer Behavior
Week Four	<ul style="list-style-type: none">• Chapter 4 - Individual and Market Demand• Homework Assignment No. 2: <u>Due Thursday, April 24th, 2014</u>
Week Five	<ul style="list-style-type: none">• Chapter 5 – Uncertainty and Consumer Behavior• Midterm Exam - <u>Thursday, May 1st, 2014</u>
Week Six	<ul style="list-style-type: none">• Chapter 6 - Production• Chapter 7 – The Cost of Production
Week Seven	<ul style="list-style-type: none">• Chapter 8 - Profit Maximization and Competitive Supply• Homework Assignment No. 3: <u>Due TUESDAY, May 13th, 2014</u>
Week Eight	<ul style="list-style-type: none">• Chapter 9 - The Analysis of Competitive Markets• Homework Assignment No. 4: <u>Due Thursday, May 22nd, 2014</u>
Week Nine	<u>Part III: Market Structure and Competitive Strategy</u> <ul style="list-style-type: none">• Chapter 10 - Monopoly and Monopsony• Chapter 11 - Pricing with Market Power
Week Ten	<ul style="list-style-type: none">• Chapter 11 - Pricing with Market Power /cont./• Chapter 12 - Monopolistic Competition and Oligopoly• Homework Assignment No. 5: <u>Due Thursday, June 5th, 2014</u>
Finals Week	<ul style="list-style-type: none">• Final Exam: <u>Thursday, June 12th, 2014 (10:15 am - 12:05 pm).</u> <p>Note: The final exam is not cumulative. All material covered since the midterm exam will be tested on the final.</p>

To register for Intermediate Microeconomic Theory:

1. Go to pearsonmylabandmastering.com.
2. Under Register, click **Student**.
3. Enter your instructor's course ID: [wooster67938](#), and click **Continue**.
4. Sign in with an existing Pearson account or create an account:
 - If you have used a Pearson website (for example, MyITLab, Mastering, MyMathLab, or MyPsychLab), enter your Pearson username and password. Click **Sign in**.
 - If you do not have a Pearson account, click **Create**. Write down your new Pearson username and password to help you remember them.
5. Select an option to access your instructor's online course:
 - Use the access code that came with your textbook or that you purchased separately from the bookstore.
 - Buy access using a credit card or PayPal.
 - If available, get 14 days of temporary access. (Look for a link near the bottom of the page.)
6. Click **Go To Your Course** on the Confirmation page. Under MyLab & Mastering New Design on the left, click **Intermediate Microeconomic Theory** to start your work.

Retaking or continuing a course?

If you are retaking this course or enrolling in another course with the same book, be sure to use your existing Pearson username and password. You will not need to pay again.

To sign in later:

1. Go to pearsonmylabandmastering.com.
2. Click **Sign in**.
3. Enter your Pearson account username and password. Click **Sign in**.
4. Under MyLab & Mastering New Design on the left, click **Intermediate Microeconomic Theory** to start your work.

Additional Information

See **Students > Get Started** on the website for detailed instructions on registering with an access code, credit card, PayPal, or temporary access.