John Parman
254 Tyler Hall
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Office Hours: Mon 2pm-4pm, Tue 9am-10am, Wed 10am-noon

Econ 303 - Intermediate Microeconomic Theory

This course develops the tools necessary to analyze the decisions made by consumers and firms. Consumer theory topics will include preferences, utility, optimal consumption under a budget constraint and aggregate demand. On the producer side, we will cover profit maximization, cost minimization, perfect competition, monopolies and oligopolies. Concepts of equilibrium, externalities, efficiency and social welfare will also be covered.

Requirements

Students should have completed Econ 101 or 151. I will assume a basic vocabulary of economic terms and concepts. I will describe how to approach certain problems using calculus but will not assume you have a background in calculus. In situations on problem sets or exams where calculus may be helpful, I will provide assistance with taking derivatives or integrals.

Grading

Grades for the class will be based on problem sets, two midterms and a final, weighted as follows:

Problem Sets:	10%
Midterm 1 (September 27, 2016):	30%
Midterm 2 (November 3, 2016):	30%
Final Exam (December 14, 2016 2pm - 3:30pm):	30%

The exams will all be a combination of short answer questions and numerical or graphing problems designed to evaluate your comprehension of the lectures, your ability to work with the analytical tools and models presented in class, and your ability to think critically about the issues presented in class. Exams, including the final, will not be cumulative except to the extent that earlier material is required to work with material presented since the previous exam. Examples of past exams with solutions are posted on Blackboard.

There are no makeup exams or alternate times for taking exams. If you are unable to take a midterm for any reason, an average of your other two exam scores will be used to replace the missing exam score. If you miss both midterms, you will be assigned the lowest score in the class for the second midterm. An average of this score and your final exam score will be used to replace the missing first midterm score. The final exam is mandatory and must be taken at the scheduled time. Please refer to the college's policies for rescheduling missed final exams if you are unable to attend the final exam due to an emergency. Please note that that final exam will be ninety minutes long.

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Grades will be curved to conform to the typical grade distribution at William & Mary (see http://goo.gl/Bv4Ck1 for statistics on grade distributions at William & Mary). The curve will be set at the end of the semester based on the class distribution of overall numerical scores. Each time an exam is returned you will be given the class distribution of numerical scores for the exam and a guide to how those numerical scores would correspond to curved letter grades if the course curve were based solely on that exam (in other words, the numerical cutoffs for an A, B, C, and so on). You have one week after graded material is returned to raise any issues about the grading.

Readings

The required text for the course will be *Intermediate Microeconomics* by Hal Varian. The current version of the book is the ninth edition but you should free free to use an earlier version of the textbook. Chapter numbers differ across editions but the text of the chapters we cover remains the same. In addition to the textbook, there may be additional material posted on the course website.

Problem Sets

There will be four graded problem sets assigned during the semester (I will also post additional ungraded problem sets). These problem sets are intended to help you develop the analytical skills presented in class. You are welcome to work in groups on the problem sets but every person must write up his or her own solutions. This does not mean turning in multiple copies of the same solutions. Learning how to formulate your own solutions and explanations is a valuable component of the problem sets. Problem sets will be graded on a three point scale. Three points will be awarded when all problems are completed and the solutions are generally correct aside from minor mistakes. Two points will be awarded when a problem set clearly shows effort on all of the problems but the wrong path was taken on one or two questions. One point will be awarded when a problem set is incomplete or otherwise shows a lack of effort. Zero points will be given for problem sets that are not turned in on time. No late problem sets will be accepted as solutions for each problem set will be posted immediately after the problem sets are due.

Honor Code

You are expected to follow the William & Mary Honor Code. If I discover any academic misconduct, I will initiate an Honor Council proceeding and recommend failure of the course. If you have any questions about how the Honor Code relates to this course, feel free to talk to me or refer to the Student Handbook and the William & Mary Honor Council's website.

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Outline of Course

Below is the general outline we will follow. The chapters numbers refer to the relevant chapters in the 9th edition of *Intermediate Microeconomics* by Hal Varian. I will update you at the beginning of each lecture with where we are in the outline and what we will cover over the next two to three lectures.

  I. Introduction - The Market *(Chapter 1)*

 II. The Consumer

- Preferences *(Chapter 3)*
- Utility *(Chapter 4)*
- Budget Constraints *(Chapter 2)*
- Choice *(Chapter 5)*
- Demand *(Chapter 6)*
- Income and Substitution Effects *(Chapter 8)*

III. Market Equilibrium

- Consumer Surplus *(Chapter 14)*
- Market Demand *(Chapter 15)*
- Equilibrium *(Chapter 16)*

IV. The Firm

- Technology *(Chapter 19)*
- Profit Maximization *(Chapter 20)*
- Cost Minimization *(Chapter 21)*
- Cost Curves *(Chapter 22)*
- Firm Supply *(Chapter 23)*
- Industry Supply *(Chapter 24)*

 V. Market Imperfections

- Monopoly *(Chapter 25-26)*

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- Oligopoly *(Chapter 28)*
- Externalities *(Chapter 35)*
- Public Goods *(Chapter 37)*