

William & Mary
Fall 2019

SYLLABUS

ECON 303 – 03 & 04. Intermediate Microeconomics

03: M/W/F. 9:00 – 9:50PM. Tyler 134

04: M/W/F. 10:00 – 10:50PM. Tyler 134

Instructor: Thomas P. LaSalvia, PhD
Office Location: Tyler 230
Office Hours: M/W. 2:15 – 3:15, T. 1 - 3, appointments, open door
Email: tplasalvia@wm.edu

Course Description:

Intermediate Microeconomics is the study of producer and consumer behavior in various market structures. Topics include: production theory, consumption theory, public policy analysis, and strategic firm behavior. Fundamental microeconomics, basic algebra and calculus, and introductory game theory will be called upon to develop an understanding of the aforementioned topics.

Course Objectives:

Observe, Model, Comprehend, Forecast, Communicate

Economists critically observe their surroundings and model what they see using a few fundamental concepts. These simplifications of reality are then used for gaining a deeper comprehension of those surroundings, as well as forecasting the outcomes of a “shock” (a change to the status quo, government intervention, etc.).

Students will gain a working knowledge of:

Economic modeling as it pertains to consumer and producer theory

Conceptual, graphical, mathematical

Adjusting assumptions to study base-model deviations and public policy

Various market structures (monopolistic competition, oligopolies etc.)

Strategic firm interaction

Prerequisite: ECON 101 (Having a principles text readily available often helps.)

****We will use calculus in this class, but I promise to teach you what is required. The rationale for using calculus is that it can both help to explain and reinforce the conceptual and graphical understanding of consumer and producer theory.

Course Structure and Assessment:

The below descriptions, dates and totals are **approximates** and subject to minor adjustments.

<u>Assignment Type & Amount</u>	<u>Points (each)</u>
Within Term Exam (2)	30
Homework/Take home Quiz (1)	15
Comprehensive Final Exam (1)	60
Model Building Assignment (1)	30
Total	165

Exam 1 will occur during week 4 or 5

Exam 2 will occur during week 11 or 12

Final Exam: 03 Section – December 17th, 9am

04 Section – December 18th, 2pm

Model Building Assignment: You will build a model to explain/predict the economic outcomes of a particular industry. To accomplish this, you must utilize the tools of cost minimization/profit maximization and utility maximization. (More details will follow.)

**I will give you practice problems with answer keys. My advice is to use these as self-assessment, after you have studied and thought deeply about the lectures.

<u>Grading Scale:</u>	A = $\geq 94\%$	A- = 90% - < 94%
	B+ = 87% - < 90%	B = 83% - < 87%
	B- = 80% - < 83%	C+ = 77% - < 80%
	C = 73% - < 77%	C- = 70% - < 73%
	D+ = 67% - < 70%	D = 63% - < 67%
	D- = 60% - < 63%	F = < 60%

* grades are not rounded to the nearest percent

Grading (Nearly all questions are short answer): 0 – 5 scale.

- 0 = nothing,
- 1 = a thought, graph, and/or equation,
- 2 = an economic thought, graph, or equation,
- 3 = an economic thought, graph, and/or equation in the right direction,
- 4 = an economic thought, graph, or equation in the right direction with a small mistake,
- 5 = complete and correct economic thought, graph, and/or equation (full communication as an economist, based on in-class discussions)

**For partial credit, you are graded on how you answer the question. Did you call upon the proper fundamental concept and how close were you to having consistency of that concept with the required graph and/or mathematics. Thinking about and studying the subtle details regarding the material will really help you answer these questions in this manner.

(*Try to question the lectures and slightly alter examples, this type of studying will help you take ownership of the economic approach to understanding decision making.)

Text: Varian, H. Intermediate Microeconomics: A Modern Approach, 9th ed. W. W. Norton & Company. 2014 (Any Intermediate level Micro text will do, you really just need a reference to call upon when needed. See another good option below)

Readings (in this approximate order)

Week 1 – 2: Pages. 1 – 11 / 20 – 31 / 33 – 40 / 48 – 51 / 54 – 67 / 70 – 72 / 73 – 89 / 118 – 122 / 136 – 153. (**Consumer Theory – Utility Maximization**)

Week 3 – 4: Pages. 350 – 359 / 382 – 385 / 392 – 395 / 396 – 409 / 413 – 428 / 435 – 445. (**Producer Theory – Cost minimization, Profit Maximization**)

Week 5: Pages. 457 – 468 / 494 – 498 / 515 – 522 / 525 – 533.
(**Producer Theory – Industrial Organization, Game Theory**)

Alternative Text: Nicholson, W. and Snyder, C. Microeconomic Theory, 10th ed. South-Western. 2008

Supplemental Material:

Read/watch the news. Any article or video you see that interests you and relates to markets, firms, or consumers please share with the class.

Frank, R. The Economic Naturalist. Basic Books, 2007

Gibbons, R. Game Theory for Applied Economists, Princeton U. Press, 1997

<http://economicshelp.org>

EconLit & The Economist

<https://libraries.wm.edu/databases/by-subject/411> (W&M library)

Writing Resources Center (WRC) - Communications Related

The Writing Resources Center, located on the first floor of Swem Library, is a free service provided to W&M students. Trained consultants offer individual assistance with writing, presentation, and other communication assignments across disciplines and at any stage, from generating ideas to polishing a final product. To make an appointment, visit the WRC webpage www.wm.edu/wrc.

Student Accessibility Services:

"William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2512 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please visit www.wm.edu/sas."

Course Policies:

You must be **respectful** to everyone.

Do not text

Do not talk while others are talking.

Do not use the web for non-relevant activities.

Do not be late.

Do not leave early.

Do not miss class.

Do not be a loud consumer of food or drink.

If you need to leave early or need to leave your phone on because of an expected important call, please tell me at the beginning of class.

I genuinely want to help all of you.

Be a kind and thoughtful human being

The William & Mary Pledge

"As a member of the William and Mary community, I pledge on my honor not to lie, cheat, or steal, either in my academic or personal life. I understand that such acts violate the Honor Code and undermine the community of trust, of which we are all stewards."