

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 (March 10):	30%
Midterm 2 (April 12):	30%
Final Exam (May 11, 9am - noon):	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. This is done by averaging your rank in the class distributions for the two exams you took and then assigning you the grade that corresponds to this average rank in the distribution of the exam you missed. 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.

Numerical cutoffs for letter grades are the following: A (92-100), A- (90-91.99), B+ (87-89.99), B (83-86.99), B- (80-82.99), C+ (77-79.99), C (73-76.99), C- (70-72.99), D (60-69.99), F (below 60). These cutoffs will be applied to your overall numerical course grade, calculated from the numerical scores on individual exams and assignments using the weights given above. As noted in the cutoffs, numerical grades up to the second decimal are used for determining the letter grade. There will be no rounding up or down to the nearest whole number.

While the numerical cutoffs above are the default I use for assigning letter grades, I will adjust the cutoffs downward if the distribution of letter grades is significantly lower than that of a typical grade distribution for economics courses at William & Mary. These adjustments will be made at the end of the semester based on the class distribution of overall numerical scores. If an adjustment is warranted, I will post the adjusted grade cutoffs when posting your final course grades to Blackboard. Note that I will not adjust the cutoffs upward; if the class performs unusually well I am happy to assign unusually high grades. When returning each midterm, I will tell you how I would adjust letter grade cutoffs if I were to base them just on that midterm. This is done to give you a sense of where you stand. However, note that it is still your numerical score that gets used when calculating your overall grade for the course. Consequently, there is little difference between being just below or just above one of these cutoffs.

When any graded work is returned you will be given relevant statistics about the class distribution of numerical scores. You have one week after any graded material is returned to raise any issues about the grading. After that week, the grade will be considered final.

Readings

The required text for the course will be *Intermediate Microeconomics: A Modern Approach* by Hal Varian. The current version of the book is the ninth edition but you should feel 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 materials 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.

Important Dates

Below are the key dates for the graded assignments.

Date	Assignment
February 5	Add/drop deadline
March 10	Midterm 1
March 29	Withdraw deadline
April 12	Midterm 2
May 11	Final Exam (9am - noon)

Note that homework due dates and exams are scheduled to avoid any work occurring during the spring break days scheduled throughout the semester (February 12, March 4, March 17, April 6, April 7, April 26). These days will be treated as true breaks. We will not have lecture or office hours and you are not expected to do any coursework on those days.

Honor Code

You are expected to follow the William & Mary Honor Code. Be particularly careful to acknowledge your classmates when you work in groups on problem sets and remember that even when working in groups, you must write up your own solutions. Copying another group member's solutions or copying solutions from an answer key constitute honor code violations. 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](#).

Accommodations

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 (SAS) 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 see the SAS [website](#). I am happy to work with you to find the best way to implement accommodations to make your time in this class as successful and rewarding as possible.

Working Around COVID-19

We find ourselves in unusual times. Many aspects of our class will be impacted by both measures to control the spread of COVID-19 and by the direct impacts of COVID-19 on students who need to quarantine, suffer effects of the virus, or have family and friends impacted by the virus. First and foremost, I want you to know that I am here to support you and find ways to help you succeed in the course despite any COVID-19 disruptions. Should you have any concerns at all related to your ability to participate in this class, please do not hesitate to reach out to me. We will work to figure out a personalized plan that will allow you get the most out of this course while prioritizing your health and the health of your family. For any individual situations, whether you need a deadline extended, access to recorded lectures and lecture notes, or simply need to talk things through, please email me or stop by my Zoom office hours, whichever is more comfortable for you.

There are several more general issues related to our class and adapting to COVID-19. The following subsections of the syllabus detail several important ways that we will be adapting the class to adhere to William & Mary's [Path Forward](#) policies.

Online Instruction

The most immediate issue is the need to start classes online. At least through the first two weeks of class, we will be holding classes over Zoom. These will be live lectures during which I will present material through the use of a document camera and seek your participation through questions and polls. All of our online classes can be joined through the following Zoom link using the passcode "ECON303" (without the double quotes):

<https://cwm.zoom.us/j/99628841802?pwd=bVQwTXdlUkNwdTZVTVZoWEZQQnlrQT09>

I expect you to engage in the Zoom lectures as you would when we are face-to-face in a physical classroom. Take notes during lecture, feel free to interrupt me with questions, and be prepared to contribute when I pose questions to the class.

Zoom Guidelines

Zoom meetings can work remarkably well. However, it is also quite easy for them to be rather unproductive for individuals or the class as a whole. To make the most of our Zoom sessions, we will adhere to the following guidelines:

- For basic tips and descriptions of Zoom features, refer to the handout posted to our Blackboard site.
- Make certain your name shows in Zoom. For example, I may log in and be identified as ‘02jmp_2 iPad’, an unhelpful moniker. I would use the *Rename* option to relabel myself as ‘John Parman’. Please make certain that your name displays in a way consistent with how you would like to be referred to.
- Please keep yourself muted until you plan to speak. Background noise can become quite disruptive on Zoom.
- Plan to keep your video on if possible. It is easier for your classmates and me to interpret whatever you say, or to interpret your reactions to what we have said, if your video is on. That said, I realize that you may face technological issues or other problems that prevent you from using video and fully understand if you cannot have your video turned on.
- Plan to join the class Zoom meeting a little before the start of class. We will begin promptly at the start of our class period. Feel free to chat with each other before class starts.
- If you have a question, please say so in the chat window of Zoom. I will keep an eye for raised hands, both actual raised hands and people who have hit the Zoom *Raise Hand* button, but, given the way Zoom shows only a subset of participants at a time, I might miss your raised hand. Posting in the chat window is the guaranteed way to get my attention.
- Please know that the Zoom sessions will be recorded for the benefit of any classmates that cannot make it to class that day.
- If you have any issues that prevent you from fully participating in the Zoom class discussions, please contact me and we will work out an alternative approach to participating in the class.

Virtual Office Hours

Throughout the semester, office hours will be held virtually to comply with COVID-19 best practices. I will hold office hours every week from 10am to 11:30am on Mondays and from 9am to 10:30am on Thursdays throughout the semester via Zoom. I will use the waiting room feature of Zoom so that

John Parman
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Zoom Office Hours: M 10am-11:30am, Th 9am-10:30am

Econ 303, Spring 2021
M/W 3:30pm-4:50pm
Integrated Science Center 1127

individual conversations do not get interrupted when additional students join the office hours. So when you are speaking with me, know that you will not suddenly have another student drop in on the conversation. If you join my office hours and find yourself in the waiting room, know that I am finishing up a conversation with another student and will be with you shortly.

Feel free to join those office hours at any point. Also feel free to email me to set up a different time to meet over Zoom if the regular office hours do not work with your schedule. Zoom links for the office hours are provided below:

Monday office hours: <https://cwm.zoom.us/j/95550524582>
Thursday office hours: <https://cwm.zoom.us/j/92935155821>

The Return to Face-to-Face Instruction

When we are able to return to face-to-face classes, we still need to take various COVID-19 precautions. When in the classroom and when entering and leaving, please remember that face masks and proper social distancing are required. I will be lecturing with a mask on at all times. This may make it more difficult to understand me. Please do not be shy when it comes to asking me to repeat something I have said or have me repeat something said by a classmate. When you arrive to class, only sit in the designated seats and do not rearrange the furniture in the classroom.

Should you have to miss class because you are sick, quarantined, or have other unexpected hardships, let me know and we will make arrangements for you to have access to whatever material you missed. Please know that your health and general well being are my first priority, keeping up with class is secondary to that. I will be happy to help you stay engaged in class but my main focus will be on helping you get healthy; I understand that studying economics may not always be the key to that.

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*)