

## PRICE THEORY (INTERMEDIATE MICROECONOMICS)

ECON 3301-005 (5494)

MWF 11am-11:50am, Umphrey Lee Center 0242

Fall 2017

### **Instructor:**

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Umphrey Lee 301E

Office hours: Monday 12-1pm, Tuesday 4-5pm

### **COURSE DESCRIPTION**

This is an intermediate course in microeconomics. The main goal of the course is to build the ability to think about questions like an economist. In doing this, we will learn

- how consumers make economic choices
- how firms make pricing and output decisions
- the interaction of consumers and firms in markets
- market structures and some market failures

The course is designed to provide a strong foundation in the tools that underlie economic analysis, including tools used in many upper-level courses you will take. We will analyze economic situations using graphs, mathematics, and intuitive approaches. The material can be difficult and time-consuming, and a good way to succeed is to *PRACTICE*.

### **COURSE GOALS**

Students will be able to

- Discuss and explain economic concepts using graphical and mathematical representations
- Solve consumer theory problems and understand how they apply to real-world scenarios
- Apply producer theory to explain firm behavior
- Use analytical tools to predict pricing and production outcomes under different market structures
- Analyze different theoretical or interpretive perspectives in the study of individuals, institutions, and cultures that shape economic, political and social experiences
- Evaluate critically the research outcomes, theory, and/or theoretical applications in the study of individuals, institutions, and cultures that shape economic, political and social experiences
- Demonstrate an ability to analyze complex mathematical problems that arise in a particular discipline or area
- Demonstrate mastery of microeconomic concepts

### **PREREQUISITES**

ECO 1311, ECO 1312 and MATH 1309 or 1337. **We will be using calculus.**

### **COURSE WEB PAGE**

The course webpage can be accessed through Canvas. Please check it regularly. Grades, announcements, and other course related material will be posted there.

## TEXTS AND SOFTWARE

- Perloff, Jeffrey M. *Microeconomics: Theory and Applications with Calculus, 4 ed.* Pearson 2017.
- MyEconLab Access code

## MYECONLAB

MyEconLab is an online resource with hundreds of practice problems. Since seeing and solving different types of problems is essential, it will be very helpful in learning the concepts of the course. It can be purchased with the textbook or purchased separately. Part of your course grade is based on assignments that will be completed on MyEconLab. **You must purchase an access code.** You can access the MyEconLab course and assignments at <http://www.myeconlab.com> and then use the CourseID: pattison18502.

## COURSE GRADE

Assignments	15% (lowest score is dropped)
Quizzes	10% (best 15 out of 20)
Midterm 1	25%
Midterm 2	25%
Midterm 3	25%
Final Exam (optional)	25% (replaces lowest midterm grades if final grade is better)
Bonus: Core Exam	2%

Your final grade will be based on the following grading scale:

<b>A</b> 90 or above	<b>C</b> 70-73
<b>A-</b> 88-89	<b>C-</b> 68-69
<b>B+</b> 84-87	<b>D+</b> 64-67
<b>B</b> 80-83	<b>D</b> 60-63
<b>B-</b> 78-79	<b>D-</b> 58-59
<b>C+</b> 74-77	<b>F</b> below 58

## HOMEWORK ASSIGNMENTS AND QUIZZES

There will be (approximately) weekly homework assignments through MyEconLab. You will get three chances at each problem, so if you get it wrong the first or second time, you will have another chance. These assignments will count for 15% of your grade.

There will also be 20 short (5 minute), unannounced quizzes given throughout the semester, which will account for 10% of your grade. The purpose of these quizzes is to emphasize key concepts from class. Just showing up and signing your name will earn half the points on the quiz. I will drop your five lowest quiz scores. There will be no make-up quizzes, so any missed quizzes will automatically be counted as one of your dropped quizzes. You will receive a grade of zero for any missed quizzes beyond five.

## **EXAMS**

There will be three non-comprehensive midterms, each worth 25% of your final grade. You may also choose to take the **optional comprehensive final exam**. If you take the final and you obtain a score that is higher than the your lowest score of the three midterms, the score on the final will replace the lowest midterm score.

## **LATE SUBMISSIONS/MAKE-UP EXAMS**

Late submissions of homework assignments will not be accepted. Schedule conflicts regarding midterms or the final exam should be reported to me immediately. There will be no make-up exams unless the circumstances are truly exceptional and can be substantiated (for example, a note signed by your doctor indicating that the student is truly medically incapable at the time of the exam). If advanced notice is possible and not given, I will refuse the request.

## **ATTENDANCE AND EXPECTATIONS**

Attending class is and taking notes is essential. We will cover material and examples in class that is not available in the text. Additionally, we will frequently take unannounced quizzes in class, which will make up 10% of your grade.

## **DISABILITY ACCOMMODATIONS**

Students needing academic accommodations for a disability must first register with Disability Accommodations & Success Strategies (DASS). Students can call 214-768-1470 or visit <http://www.smu.edu/Provost/ALEC/DASS> to begin the process. Once registered, students should then schedule an appointment with the professor as early in the semester as possible, present a DASS Accommodation Letter, and make appropriate arrangements. Please note that accommodations are not retroactive and require advance notice to implement.

## **RELIGIOUS OBSERVANCE**

Religiously observant students wishing to be absent on holidays that require missing class should notify their professors in writing at the beginning of the semester, and should discuss with them, in advance, acceptable ways of making up any work missed because of the absence. (See University Policy No. 1.9.)

## **EXCUSED ABSENCES FOR UNIVERSITY EXTRACURRICULAR ACTIVITIES**

Students participating in an officially sanctioned, scheduled University extracurricular activity should be given the opportunity to make up class assignments or other graded assignments missed as a result of their participation. It is the responsibility of the student to make arrangements with the instructor prior to any missed scheduled examination or other missed assignment for making up the work. (University Undergraduate Catalogue)

## **CAVEAT**

This syllabus is subject to change; students who miss class are responsible for learning about any changes to the syllabus.

## TENTATIVE SCHEDULE OF TOPICS, READINGS, AND ASSIGNMENTS

<b>Date</b>	<b>Topic</b>
Aug. 21-25	Logistics, intro, math review, supply and demand (Ch. 1-2)
Aug. 28-Sep. 1	Supply and demand (Ch. 2)
Sep. 6-8	Consumer preferences, utility functions, indifference curves (Ch. 3)
Sep. 11-18	Demand curves, comparative statics of demand, income and substitution effects, exam review (Ch. 4)
<b>Sep. 20</b>	<b>Midterm 1</b>
Sep. 22-Sep. 29	Producer theory, production functions, and cost curves (Ch.6-7)
Oct. 2-Oct.6	Profit maximization, supply curves (Ch. 8)
Oct. 11-13	Competition and analysis of competitive markets (Ch. 8-9)
Oct. 16-23	Analysis of competitive markets and monopoly, exam review (Ch. 9-10)
<b>Oct. 25</b>	<b>Midterm 2</b>
Oct. 27-Nov. 3	Monopoly, price discrimination (Ch.11-12)
Nov. 6-10	Game theory (Ch. 13)
Nov. 17	<b>3301 Core Exam</b>
Nov. 13-Nov. 29	Externalities and public goods (Ch. 17)
<b>Dec. 1</b>	<b>Midterm 3</b>
Dec. 4	Review
<b>Dec. 7</b>	<b>Final Exam, 11:30am-2:30pm</b>