

ECON 310: INTERMEDIATE MICROECONOMICS

FALL 2018

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Office Hours: Tuesdays 5:00-6:00pm, Wednesdays 10am-12pm, Thursdays 12:00pm-1:00pm

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Course Information: Tuesdays 6:00pm-8:50pm, Broome Library 2330

Textbook: *Intermediate Microeconomics*. Any edition, by Hal Varian (W.W. Norton & Co.).

Course Description: This course addresses “Economic analysis of the decisions of consumers and producers,” with “emphasis on the theory of consumer behavior, the theory of the firm, price and output determination in various market structures, factor markets and externalities.”¹

Course Learning Outcomes: Upon completion of this course, you will be able to

1. Identify positive and normative methods of analysis.
2. Derive and interpret the optimality conditions for the constrained optimization problems faced by consumers and producers.
3. Identify the key factors affecting demand and supply, and conduct comparative static analyses of changes in demand and supply conditions.
4. Incorporate risk considerations as part of optimal decision-making.
5. Apply fundamental economic reasoning to real-world situations, and generate logically consistent arguments regarding economic efficiency.
6. Distinguish and determine the efficiency implications of various forms of market structure.
7. Project the economic consequences of business decisions or policy changes from the short run to the long run.
8. Identify circumstances where markets may fail and forecast likely outcomes of such failures.
9. Analyze government solutions to market failures.

Translation: This course is about is how you *live your life*. You can use micro to understand everything, all the time. There’s micro at the grocery store, there’s micro at home, micro with friends. Modern macroeconomics (the stuff they’re doing at the Treasury Department and the Federal Reserve, not Econ 111) is also built out of micro. So it’s micro all the way down.

That said, I say the same thing in Econ 110, so what’s the difference here? In this class, we’re going to dig a little deeper. In principles, we just have demand curves: they’re just *there already*. In this class, we will build them from individuals’ preferences (it’s so cool; I can’t wait!). Also, we’ll use the rational, incentive-driven view of behavior to understand strategic situations using game theory. Game theory can help us understand many situations in our professional and personal lives. So the difference between this class and 110 is that we add more depth to our understanding, as well as adding new tools to better understand the world around us.

¹ California State University Channel Islands Course Catalog

Grades: The grades you earn will reflect the degree to which you have absorbed the information as well as your ability to employ it in analytical tasks. I use the +/- system for grades; while people who get an 89 and a 91 are substantially similar in terms of the learning they have accomplished, people who get an 89 and an 81 are not. You deserve to have that reflected in your grade. I round to the nearest tenth of a percentage point on the final grade, and use “top 3/bottom 3” for pluses and minuses. Because I measure your performance against an absolute standard, rather than a relative ranking amongst your peers, please do not expect a “curve.”

I have four methods for determining how well you understand macroeconomics: tests (two midterms, one final), quizzes, assignments, and participation. The weights I assign each method are below, followed by some thoughts on each:

First Exam	25%
Second Exam	25%
Final Exam	30%
Quizzes	20%

Exams. Exams allow me to see your breadth and depth of knowledge all at once, and let me see it for each of you. But they take at least an hour to administer and a weekend to grade. Thus there are few exams, but they make up the bulk of your grade. Because everybody can have a bad day, I reserve the right to re-weight your exams so that your best exam is worth 30%, rather than the final exam.

Quizzes. Quizzes are shorter than exams, but they limit my ability to assess your depth and breadth of knowledge (usually I have to choose one). All quizzes will be worth the same in determining your grade, but some will be longer than others. I don’t like multiple choice; they’ll usually involve some writing, some graphs (I like graphs), and some math (I like math, too!). Quizzes are always announced in advance, except for the first-day quiz. Some may even be take-home.

Participation. Participation is part of your assignments. I will have “participation assignments” in class, and the only way to get those points is to be present! Additionally, I sometimes do “bonus” assignments (i.e., extra credit) in class; I discuss this under “Experiments” below.

A last note on participating in class: displays of chutzpah, panache, knowledge of current events, humor, and moxie always help you. Always.

Experiments: We will do classroom activities some weeks; these are similar to actual economics experiments that researchers have run in the lab. As subjects, you will earn your grade. Sometimes you will, by nature of the experiment, earn more than 100% in a particular experiment. Sometimes you will earn cash or items instead. As for how this will work, all I can tell you is, “wait and see.”

Attendance: Attendance is essentially mandatory. Exams take place during class. Without getting your absence excused, you will get a zero on missed tests, quizzes, and in-class assignments. Excuses

are valid for health, university events, work, or the death of family. I may require additional confirmation for the death of family and for work.²

Make-Up Exams or Quizzes: There are 2 midterms during the semester. The dates listed with the schedule of topics are subject to change. You are responsible for any changes in the schedule announced in class. In the case of a missed exam or quiz, the next exam or quiz score will replace your missed score *provided your absence was excused*. Unexcused absences from exams or quizzes result in a grade of zero. Regardless of the reason for missing a quiz or exam, no make-up will be given. In the event that you anticipate a conflict associated with a university-sponsored event, contact me in the first two weeks of class to discuss arranging an alternative time near an exam or quiz to take it.

Grade appeals: If you believe that I misgraded your exam, quiz, or assignment, you may submit a written appeal no later than 2 classes after I return the exam or quiz. Attach the relevant exam or quiz along with a written explanation of the appeal. I will respond in writing. If there is still a disagreement, we can meet during my office hours.

Office Hours: My office hours are listed at the top of the syllabus. Do come visit; I get lonely. Also, I'm very helpful when it comes to clarification of lecture notes, the text, assistance with homework, or general advice on studying. If you cannot meet during office hours, contact me to set up an appointment. Be prepared when you visit; the more you have reviewed the material before coming to me, the more helpful I can be to you. And don't forget: everybody else wants to talk to me right before the exam, too. It is easier to answer a question once than several times over. Form cabals.

E-mail: Throughout the semester, I will send you email with course announcements to your CI email address. If you regularly use another address, please set up email forwarding. Please do send email to ask questions about course material (e.g. clarification of lecture notes, homework problems, etc.); you can also come see me! On the other hand, please do not send email asking questions that are already addressed in the syllabus, posted on Canvas, or announced in class (e.g. exam dates, office hours, grades). Finally, be aware that the University has a spam filter that may screen out email sent from third-party email providers (e.g. yahoo, hotmail). It's best to send me email from your CI account to my CI account.

Canvas: I use Canvas to post everything. Please check Canvas at least daily.

Disability Accommodations: CSU Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The mission of Disability Accommodation Services is to assist students with disabilities to realize their academic and personal potential. Students with physical, learning, or other disabilities are encouraged to contact the Disability Accommodation Services office at (805) 437-8510 for personal assistance and accommodations.

² Many students seem to have an unusually large number of great aunts and uncles to whom they were particularly close, and bosses who are demanding *at the precise moment* that I give exams. Weird, right?

Academic Honesty: I love a good heist movie, but I hate cheaters and plagiarizers with hatred as hot as a thousand suns. If you cheat in my class, I will find out, and you will fail:

1. Academic dishonesty includes such things as cheating, inventing false information or citations, plagiarism and helping someone else commit an act of academic dishonesty. It usually involves an attempt by a student to show possession of a level of knowledge or skill that he/she does not possess.
2. Course instructors have the initial responsibility for detecting and dealing with academic dishonesty. Instructors who believe that an act of academic dishonesty has occurred are obligated to discuss the matter with the student(s) involved. Instructors should possess reasonable evidence of academic dishonesty. However, if circumstances prevent consultation with student(s), instructors may take whatever action (subject to student appeal) they deem appropriate.
3. Instructors who are convinced by the evidence that a student is guilty of academic dishonesty shall assign an appropriate academic penalty. If the instructors believe that the academic dishonesty reflects on the student's academic performance or the academic integrity in a course, the student's grade should be adversely affected. Suggested guidelines for appropriate actions are: an oral reprimand in cases where there is reasonable doubt that the student knew his/her action constituted academic dishonesty; a failing grade on the particular paper, project or examination where the act of dishonesty was unpremeditated, or where there were significant mitigating circumstances; a failing grade in the course where the dishonesty was premeditated or planned. The instructors will file incident reports with the Vice Presidents for Academic Affairs and for Student Affairs or their designees. These reports shall include a description of the alleged incident of academic dishonesty, any relevant documentation, and any recommendations for action that he/she deems appropriate.
4. The Vice President for Student Affairs shall maintain an Academic Dishonesty File of all cases of academic dishonesty with the appropriate documentation.
5. Student may appeal any actions taken on charges of academic dishonesty to the "Academic Appeals Board."
6. The Academic Appeals Board shall consist of faculty and at least one student.
7. Individuals may not participate as members of the Academic Appeals Board if they are participants in an appeal.
8. The decision of the Academic Appeals Board will be forwarded to the President of CSU Channel Islands, whose decision is final.

Course Outline: We do not have a set schedule, so I'll update you as we go. For the first week, have the stuff under lesson 1 read. Here is what I'll call our list of goals:

0. Math & economics review
1. Budgets, Utility, and Choice (Varian Ch. 2-4)
2. Individual choice and demand (Varian Ch. 5-6)
3. Market demand, elasticity, and consumer surplus (Varian Ch. 14-15)
4. Uncertainty and risk (Varian Ch. 12-13)
Exam 1
5. Production and Costs (Varian Ch. 19-22)
6. Profit maximization and supply (Varian Ch. 23-24)
7. Markets! (Varian Ch. 16)
8. Monopoly (Varian Ch. 25-26)
Exam 2
9. Imperfect competition (Varian Ch. 28)
10. Game Theory (Varian Ch. 29-30)
11. Behavioral Economics (Varian Ch. 31)
12. Errata (whatever sounds like fun, provided we have time!)
FINAL EXAM (see university final exam schedule for details)