

Intermediate Microeconomics, spring 2016
Economics 310
Professor: Thomas Bishop

Office: Sage Hall 2153
Phone: 805.437.3780
E-mail: thomas.bishop@csuci.edu
Office hours: Tuesday, Thursday 2:30-5:00, or by appointment

Class time, location: Monday, Wednesday 18:00-19:15, Smith Decision Center 1908

Course website: CI Learn from <http://myci.csuci.edu/> (This site has lecture notes, supplemental reading, supplemental homework questions, answers to homework questions and answers to exams.)

Required text: Intermediate Microeconomics and Its Application, by Walter Nicholson and Christopher M. Snyder, 12th edition (Cengage Learning, ISBN: 978-1133189039).

Grading system

Your grade for the course is based on homework and exams in the following way:

Task	Percent of grade
Homework assignments	25
Midterm exam	35
Final exam	40

Grades for total points from the homework and exams will be assigned according to the following distribution:

90%-100%: A+, A, A-
80%-89%: B+, B, B-
70%-79%: C+, C, C-
60%-69%: D+, D, D-

I may also adjust the scores to account for the difficulty of the course. For example, if few people get a final score above 90%, then I will give out more As to account for difficulty of the course. In this case, I can allocate about 20%-25% As and 50%-60% As and Bs.

Exams

There will be no make-up exams, so if you can not attend class on the day of the exams or you can not attend the final exam, please do not enroll in this course for a grade. You are welcome to take the course for a pass-fail grade. You may not have a job interview during an exam and take a make-up exam later!

The midterm exam will cover all material up to its date. The final exam will have questions based on definitions and concepts from earlier material, so you should not forget the earlier material when studying for the final exam. Both exams will include multiple choice questions taken primarily from the lecture notes but can include questions based on the assigned reading.

Homework assignments

Late homework will not be accepted. If you can not finish in time, hand in what you have completed for partial credit. I do this out of fairness for your fellow students. If you know that you will be out of town

or otherwise unavailable when the assignment is due, you must submit it early. Please turn in your assignments at class time by the end of class time on the due date.

Homework questions are from the end of assigned chapters, as well as supplemental questions that will be posted on the website. Homework assignments are generally completed in teams, and I will initially assign teams, but you are make your own team or decide to do the assignments by yourself. Teams should generally have 3-5 students, and work should be allocated equally. A team submits only one copy of answers, and all team members receive the same grade for the assignment. When you turn in your homework assignment, write the names of each team member in the upper right corner of the first page, so that credit can be given to each member.

Answers to the homework problems will be posted on the website after the due date. You are expected to read the answers to the homework assignments by yourself, since I will not generally cover homework assignments in lecture.

Class participation

Regular class participation can help your grade if you are on the borderline between two grades. For example, if you are at the cutoff between a B+/A, regular class participation would boost your grade to an A.

Course overview

This course considers several principles of microeconomics: how consumers and producers of goods and services theoretically respond to price changes; the role of uncertainty and asymmetric information in individual behavior and more generally; production and the willingness to produce and to sell; various ways to measure costs; the effects of competition or lack of competition on the behavior of producers; how prices fail to accurately measure social value when competition is lacking and when external effects from producing, selling or buying exist; the value of money, credit, capital and time.

The course is a mix of theory and applications of theory to real policies and issues. The theory is intended to give you a methodical way to think about important issues in economics (and in real life) and to simplify them so that they are more comprehensible.

Program Learning Goals: Skills that I aim to convey and to teach in the course include

- critical thinking and analysis of microeconomic issues
- oral communication through questions and answers in class
- written communication through written homework assignments
- collaboration through homework assignments
- ethical conduct: no cheating on exams, but cooperation/collaboration for homework is encouraged.
- competency in microeconomics to prepare yourself for jobs and personal finances (see course learning outcomes)

Course Learning Outcomes: At the end of this course, good students will be able

- to understand how the willingness and ability to buy and to sell depend on price
- to understand the use of functions, graphs, derivatives and other mathematical tools in economics
- to explain how assets can be valued over time and valued relative to each other with present value
- to understand how economists think about uncertainty and risk
- to explain the concept of asymmetric information and its effects
- to theorize the concept and use of a firm as productive institution
- to calculate profit from sales revenue and the costs of production
- to calculate costs of production in their various forms

- to explain how the lack of competition (monopoly) allows (more) markup of prices and price discrimination among buyers relative to competitive markets
- to understand how the lack of competition (monopoly) affects the willingness to sell and the welfare of society relative to competitive markets
- to explain the concepts of externalities and public goods and their effects on the welfare of society

Date	Lecture topic	Assigned reading	Homework assignment
1.25	Introduction, markets	Chapter 1	
1.27	Markets, optimization and equilibrium	Chapter 1	
2.1	Mathematical tools	Mathematical appendix	
2.3	Inter-temporal choice	Chapter 2, pages 69-71	
2.8	Present and future value	Appendix 14A	
2.10	Interest, yield and return	Appendix 14A	Chapter 2 review question 4a and problem 2.1 due (at the end of the chapter) Supplemental questions 1, 2 due (on the website)
2.15	Uncertainty and risk: representations of risk	Chapter 4	
2.17	Uncertainty and risk: representations of risk	Chapter 4	
2.22	Uncertainty and risk: representations of risk	Chapter 4	Problem from Appendix 14A (chapter 14) due: 14.8 on page 465. Supplemental questions 1, 2 due (on the website)
2.24	Dealing with uncertainty and risk	Chapter 4	
2.29	Dealing with uncertainty and risk	Chapter 4	
3.2	Asymmetric information	Chapter 15	
3.7	Asymmetric information	Chapter 15	Problems from chapter 4 due: 4.2, 4.7 (at the end of the chapter) and supplemental questions 1, 2 (on the website)
3.9	Asymmetric information	Chapter 15	
3.14	Midterm exam		
3.16	The firm as a productive institution	Chapter 6	
3.28	Production, sales revenue and profit maximization	Chapter 6	
3.30	Types of costs and cost minimization	Chapter 7	
4.4	Types of costs and cost minimization	Chapter 7	
4.6	Profit and the willingness and ability to produce	Chapter 8	
4.11	Profit and the willingness and ability to produce	Chapter 8	Problems from chapter 7 due: 7.2, 7.6. (at the end of the chapter) and supplemental questions 1, 2 (on the website)
4.13	Monopoly behavior: markup	Chapter 11	
4.18	Monopoly behavior: markup	Chapter 11	
4.20	Monopoly behavior: price discrimination	Chapter 11	
4.25	Monopoly behavior: price discrimination	Chapter 11	
4.27	The value, cost and return of capital, real assets and credit	Chapter 14	
5.2	The value, cost and return of capital, real assets and credit	Chapter 14	Problems from chapter 11 due: 11.2a,b; 11.10 (at the end of the chapter) and supplemental questions 1, 2 (on the website)
5.4	The value, cost and return of capital, real assets and credit	Chapter 14	
5.9	Externalities and public goods	Chapter 16	
5.11	Externalities and public goods	Chapter 16	Problems from chapter 14 due: 14.4a, 14.5 (at the end of the chapter) and supplemental questions 1, 2 (on the website)
5.18	Final exam (at 19:00)		

