

Intermediate Microeconomics, autumn 2014
Economics 310
Professor: Thomas Bishop

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Office hours: Monday, Wednesday 2:30-5:00, or by appointment

Class time, location: Tuesday 18:00-20:50, Broome Library 2480

Midterm exam: October 7
Final exam: December 9

Course website: <http://blackboard.csuci.edu> (This site has lecture notes, answers to homework assignments and exams and a Digital Drop Box for sending me documents.)

Required text: Intermediate Microeconomics and Its Application, by Christopher Walter Nicholson, (Cengage Learning, ISBN: 9780324599107).

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

I may also adjust the scores to account for the difficulty of the course in English. For example, if few people get a final score above 90%, then I will give out more As to account for difficulty of the English instruction or exams. In this case, I can allocate up to 30%-50% As and up to 65%-90% 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 assignments are generally from the end of each assigned chapter, and they are completed in teams. I will initially assign teams, but you are free to switch teams before the first homework assignment is due. Each team should 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 prices affect consumer behavior; the role of uncertainty and asymmetric information in consumer 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; how behavior can be explained using a mix of psychology and economics .

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 the willingness and ability to buy as a function of price and how it varies depending on price
- to understand how economists think about uncertainty
- to explain the value of production and the inputs of production
- to calculate costs in their various forms
- to understand the willingness and ability to produce and to sell as a function of price and how it varies depending on price and profit
- to understand how competition affects the willingness to buy and to sell
- to understand how competition affects the welfare of society
- to understand how the lack of competition (monopoly) affects the willingness sell and the welfare of society
- to explain the concept of asymmetric information and its effects
- to explain the concepts of externalities and public goods and their effects
- to understand the basics of mixing of psychology and economics called behavioral economics

Date	Lecture topic	Assigned reading	Homework assignment
8.26	Introduction, economic models	Chapter 1	
9.2	Demand	Chapter 3	
9.9	Uncertainty	Chapter 4	Homework from chapter 3 due
9.16	Production	Chapter 6	Homework from chapter 4 due
9.23	Costs	Chapter 7	
9.30	Profit and the willingness and ability to produce	Chapter 8	Homework from chapter 7 due
10.7	Midterm exam		
10.14	Competition	Chapter 9	
10.21	Welfare with competition	Chapter 10	Homework from chapter 9 due
10.28	Lack of competition: monopoly	Chapter 11	
11.4	The value of money, credit, capital and time	Chapter 14	Homework from chapter 14 due
11.18	Asymmetric information	Chapter 15	
11.25	Externalities and public goods	Chapter 16	
12.2	Behavioral economics	Chapter 17	Homework from chapter 16 due
12.9	Final exam		