

Fall 2024 Economics 310 Syllabus
Intermediate Microeconomics
California State University, Channel Islands
Z. John Lu, PhD

Office: Mazan Hall 1167
 E-mail: john.lu@csuci.edu
 Office hours: W 1:00 – 2:00 pm, or by appointment (Zoom OK)

Class time: M/W 10:30 – 11:45 am, in-person, though occasionally online as needed
 Class location: Smith Decision Center 1908

Table 1 Econ310 Major Course Deliverables and Weights

Deliverable Item	Synopsis of Deliverable	Date Due	Weight for Grade
Mid-term Exam 1	Open book, closed PC/cell, in-class exam, mixture of MC and essay questions (75 mins)	October 7 (full lecture)	30%
Mid-term Exam 2	Open book, closed PC/cell, in-class exam, mixture of MC and essay questions (75 mins)	October 30 (full lecture)	20%
Mid-term Exam 3 (may be replaced by a group project)	Open book, closed PC/cell, in-class exam, mixture of MC and essay questions (75 mins)	November 20 (full lecture)	15%
Final Exam	Open book, closed PC/cell, in-class exam, mixture of MC and essay questions (2 hour)	December 11 1-3 pm (Wednesday)	35%

Course website: <http://blackboard.csuci.edu>

Required text: *Microeconomics* by Goolsbee, Levitt, and Syverson (4th edition, Macmillan Learning, New York, NY). ISBN = 978-1-319-33057-6.

This is one of the best microeconomics books out there, period. It is a bit costly. However, you can purchase the less expensive e-book and other electronic packages directly from the Publisher below:

[Microeconomics 4th Edition | Austan Goolsbee | Macmillan Learning](#)

I highly recommend you purchase the Achieve Package, which includes access to e-book and iClicker Student for a total of \$120.

General Guidelines

This course will emphasize depth and quality of understanding over breadth. It will focus on the following 5-6 core areas of microeconomics:

- Demand and Supply Framework and Applications (Consumer and Producer Surplus, Deadweight Loss)
- Theory of the Consumer (Choice, Preference, Utility Maximization and Demand Curve)
- Theory of the Competitive Firm (Production, Cost, Profit Maximization and Supply Curve)

- Theory of Imperfect Competition (Firms with Market Power, Strategic Pricing Strategies, Efficiency and Welfare, and Regulation)
- Theory of the Factor Market – focus on the Labor Market (Productivity, Derived Demand and Wage Determination, Market Power in Labor Market)
- (time permitting) Asymmetric Information and Market Failure, Theory of Externalities and Public Goods

The pre-requisites for this course include Econ 110 (intro-micro), Econ 111 (intro-macro), and Math 140 or 150. This course builds on your introductory economics courses to further develop your economic “intuition” and to provide you with more advanced economic models/tools in your analytical arsenal towards microeconomic issues we encounter on a daily basis. While I will keep the use of calculus to a minimum, the ability to manipulate algebraic equations and a good knowledge of basic geometry is essential for the successful completion of this course. Further, the absence of calculus does not mean a lack of logical coherence in our approach to the materials. *In fact, many have found it harder to express complex economic ideas without the use of mathematics.* I strongly advise you to polish up your algebra and basic geometry for this course. Some basic calculus will be a plus.

Top Level Course Objectives

Ideally, you will complete this course understanding how and why economics is important, useful and relevant to everyday decisions in a wide variety of situations.

- Explain how rationale consumers make decisions in terms of choice under a limited budget.
- Thoroughly understand and fluently apply the concept of marginal analysis in optimization decisions faced by economic participants (firms, consumers, workers, etc.)
- Employ economic tools (models, equations, graphs, etc.) to real-world situations, and generate logically consistent arguments regarding efficiency and welfare (of market participants).
- Distinguish various forms of market structure and how they affect price/output decisions and efficiency/welfare implications
- Compare and contrast the economic consequences of business decisions or policy changes between the short run and the long run.
- Identify circumstances where markets may fail and forecast likely outcomes of such failures.
- Analyze government solutions to market failures.
- Extend learned economic reasoning to other (seemingly non-economic) issues¹

Grading System

See Table I for major deliverables.

The final course grade depends on (1) sum of weighted % you earn from the four tasks (best = 100%); (2) your relative ranking in the class. Note that +/- grades are allowed, and I typically assign a median (midpoint) grade of a B-/C+.

Exams

¹ For those of you who are interested in learning how economists apply their tools to all kinds of issues large or small, and many outside the traditional realm of economics, I recommend “Freakonomics” by Steven D. Levitt and Stephen J. Dubner. Levitt is a co-author of the required textbook.

- There will be **NO make-up exams**. You should not take this class if you think you will likely miss the exams. The dates for all exams are provided on the first page of this syllabus.
- Final will be somewhat cumulative, but heavily weighted toward the new materials after Exam 2.
- **Format** of exams includes multiple choices, T/F matching, and essay questions. The first two types are self-explanatory. There are 2 types of essay questions. One will be of the problem solving variety (similar to Problems section at back of each chapter) where you will utilize your written, graphical and mathematical economic toolkit to derive and describe a situation and the recommended solution (e.g., solving for a monopolist's price/output decision given the demand curve and cost function it faces). The other type will be more general and comprehensive (and in all likelihood more representative of the way economists tackle problems in the real world). The most common format would be to ask you to provide your expert (economist's) opinion on a real or hypothetical issue: It provides you with a recent newspaper or magazine article covering a particular news or problem. It then asks you to identify/recognize the underlying economic issue (e.g., an anti-competitive behavior), to employ an analytical framework to examine the causes and consequences (e.g., theory of cartel in a market dominated by few large firms), and to either critique the existing solution or offer an alternative solution. This type of essay questions measures how well you can synthesize the analytical techniques with the ability to communicate in a clear and concise manner.

Homework

- Homework questions will be assigned but not graded, and the solution will be posted before each exam.
- We will spend some lecture time after each chapter to go through examples, using several HW questions as examples.

Success Factors

- *Read the Book:* For this course, the text will be the most valuable source of information and clarification. Ideally, read it before lecture and read it again afterwards. You will learn faster and deeper this way.
- *Attend the Lectures:* Attendance is expected, though not graded. Although lecture notes (PowerPoint slides) will be posted online, they can never take the place of active, in-classroom learning. Missing class means missing valuable discussion, clarification, solving example questions, and information regarding assignments.
- *Do the Work:* Like anything else in life, *Practice Makes Perfect*. "Practice" means reading the assigned chapters completely, working out the take-home quizzes diligently, and seeking timely help from the instructor or fellow students.
- *Observe the Real World:* If possible, periodically read the *WSJ* or the *Economist* or the *Business Week*. Also, highly recommend you listen to the Podcast, Freakonomics Radio, at least throughout the duration of this class.
- *Office Hour Attendance.* This is not an easy course, and there will be no easy A's. Most of you will struggle a bit. Be sure to attend office hours if you find yourself struggling with the materials. Don't wait till the end of semester.

- *Embedded Tutor.* There is none for this course. Basically no student at this point feels confident enough to even apply to be the tutor for this course. Well, if you ace the course, I would love to recommend you to be the tutor for this course next time I teach it.

Academic Honesty

- In accordance with the CSU Channel Islands policy on academic dishonesty, students in this course who submit the work of others as their own (plagiarize), cheat on tests or examinations, help other students cheat or plagiarize, or commit other acts of academic dishonesty will receive appropriate academic penalties, up to and including failing the course.
- *Assignments or papers with plagiarized language or ideas will receive a failing grade.*
- *Plagiarism or cheating on quizzes or exams will also result in a failing grade.*
- *In cases where the cheating or plagiarism was premeditated or planned, students may receive an F for the course.*
- Students are encouraged to consult with the instructor on when and how to document sources if they have questions about what might constitute an act of plagiarism or cheating.

Other Classroom Policies

- Be respectful of your teacher and fellow students: do not chat in class.
- Please turn off your cell phones in class.
- Do not watch video or surf the net in class.
- Do not do work for other classes – if you have a crunch timeline for other classes, I would rather you stay in the library/home and finish instead of just showing up for the sake of keeping a good attendance rate. Doing work for other classes while in attendance is *worse* than not showing up.
- Do not be afraid of asking or answering questions. Nobody has a monopoly in knowledge, and we are all in this learning together.
- Regular class participation (NOT just showing up) can help your grade if you are on the borderline between two grades. For example, if you are at the cutoff between a B-/C+, regular class participation may boost your grade to a B- relative to someone who does not attend or participate regularly.

Detailed Topics and Schedule

The following order will be approximately followed chronologically. Note this class will meet for a total of 29 times (excluding the Final Exam), as there is no class on Labor Day. Three midterms will take additional 3 lectures, leaving us with 26 lectures 75 mins long each. I will not be able to cover every single slide, and will expect you to self-study a few of the slides which are assigned.

Table 2 Course Topics and Schedule (subject to minor changes)

Week of	Topic	Reading Materials ²	No. of Lectures	Notes
Week 1	Overview; Math and Intro Econ Review; Diagnostic Test/Exercise	Syllabus; Chap 1; Math Review Appendix (MRA); Chap 2 start	2	MRA definitely should be read thoroughly. HW questions:

² In general, materials covered during lecture will be less than materials assigned for reading. However, you are required to read the entire assigned reading.

Week 2	Demand, Supply, and Equilibrium; Elasticity; Subs & Complements	Chap 2 finish	1	No class on Monday LD HW questions:
Week 3	Application of D-S Model: Price Regulate, Tax, CS, PS, DWL	Chap 3	2	HW questions:
Week 4	Theory of Consumer: Utility, Budget Constraint, Utility Maximization	Chap 4	2	HW questions:
Week 5	Substitution and Income Effects, from Indifference Curve to Demand Curve	Chap 5	2	HW questions:
Week 6, Lecture 1	Review of Chap 1-5	Chap 1 thru 5 + MRA	1	
Week 6, Lecture 2	MT#1 (30%)	Chap 1 thru 5 + MRA	1	In person exam; open book & notes, but no internet access
Week 7	Production Function, Returns to Scale, Short and Long Run	Chap 6	2	HW questions:
Week 8	Cost Function and Cost Curves, Various Costs	Chap 7	2	HW questions:
Week 9	Profit Maximization, Perfect Competition, Entry and Exit	Chap 8	2	HW questions:
Week 10, Lecture 1	Review of Chap 6-8	Chap 6-8	1	
Week 10, Lecture 2	MT#1 (20%)	Chap 6-8	1	In person exam; open book & notes, but no internet access
Week 11	Monopoly, Market Power, and Regulation	Chap 9	2	HW questions:
Week 12	Pricing for Firms with Market Power	Chap 10	2	HW questions:
Week 13, Lecture 1	Review of Chap 9 - 10	Chap 9-10	1	
Week 13, Lecture 2	MT#3 or Group Project Presentation (15%)		1	In person exam; open book & notes, but no internet access
Week 14	Imperfect Competition: Oligopoly, Monopolistic Competition	Chap 11	2	HW questions:
Week 15	Economics of Factor (Labor) Market, Monopsony Labor Mkt	Chap 13	2	HW questions:
Week 16	Final	All Materials since last exam	11 December, 2024 1:00 – 3:00 pm	