



ECON 302 Intermediate Microeconomics

Course Information

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|----------------|---------------------------------|
| Semester | : June 28, 2021 – July 30, 2021 |
| Credit | : 4 |
| Teaching Hours | : 50 Hours |
| Professor | : TBD |
| Email | : TBD |

University Policies

- The last day to add/drop the course is June 30. After June 30 students may withdraw from the course with a notation of “W” on their records.
- Students must follow the University policy on academic honesty, as specified in the Undergraduate Catalog.

Course Description

An in-depth analysis of the theory of consumer behavior, the firm and the industry, and the pricing of the factors of production; general equilibrium analysis, and an introduction to welfare economics. Prerequisite: ECON 101 Principles of Macroeconomics and ECON 102 Principles of Microeconomics.

Students will study intermediate microeconomic theory and its applications. They will build on the models and concepts developed in introductory microeconomics courses and apply economic theory to a variety of situations. Students will develop their critical thinking skills and ability to use economic reasoning to analyze and solve problems.

Instructional Objectives: Students will be able to...

1. Create and interpret graphs and equations that illustrate economic models and concepts, and use the graphs or equations to predict the impact of shocks or public policies.
2. Solve optimization problems, including choices across time periods and those involving uncertainty.
3. Distinguish between different types of economic costs and evaluate the impact of each type.
4. Explain the application of marginal analysis in a variety of situations, most prominently in profit maximization problems involving firms facing differing levels of competition.
5. Use economic models or concepts to evaluate and explain how incentives influence the decisions of firms and individuals.
6. Review the implications of assuming rational consumer behavior and evaluate how the insights from behavioral economics change outcomes.



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Course Structure:

This course will combine lecture, discussion, and group activities. I will use lectures to present new material and to highlight key terms and ideas. However, the lectures will be informal and I expect students to participate by asking questions, talking out ideas, and working through problems with classmates.

Candid discussions are extremely important to help students understand course materials. Students should use class discussion to offer their opinions and come to their own conclusions about a topic or policy. Students will not be penalized for incorrect answers or for asking questions about the material – I encourage participation and questions at any time.

We may sometimes discuss controversial or provocative normative issues -- these can be the most interesting topics to discuss precisely because they are controversial. Students may hold different opinions; debate, discussion, and disagreement can be interesting. All students should be respectful of different opinions.

At times I will ask you to work with a partner or in small groups. Academic research has demonstrated that group work is an effective way for students to learn from peers. For the group work to be most effective all students must actively participate – sitting passively deprives you and your classmates of the benefit of working in groups → Be a leader not a free rider!

Grades:

Grades will be determined by 4 components:

- Approximately 8HW/Problem Sets 20%
- In-class problems (including group problems) 20%
- Quizzes 20%
- Final Exam 40%

I will drop the lowest HW score when calculating grades, which will be based on the following scale:

| | | | | | |
|---------------|-------------|------------|------------|-----------|------|
| Score: | 85% to 100% | 75% to 85% | 65% to 75% | 55% - 65% | <55% |
| Grade: | A- to A | B- to B+ | C- to C+ | D | Fail |

Course Policies:

- Attendance is not a direct part of the course grade. However, students will often work on in-class assignments that are graded. Students who are not in class will receive a zero on those assignments.
- Assignments are due at the beginning of class. I will not accept late Assignments.
- Students who miss a quiz must speak to me.
- Students may collaborate on HW assignments, but each student must complete his/her own work and explanations must be written in his/her own words.
 - *Inappropriate copying from another student or from an outside source will result in an F in the course. If a student provides his or her work to another student to copy, both students will receive an F in the course.*
 - If a student is in doubt about whether an action is acceptable – e.g. whether it is OK to use material or an answer from an outside source – the student should ask me.



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- Students will occasionally work in teams during class to solve problems.
 - Some group work will be informal to practice solving problems, with students choosing their own partners.
 - At other times I will assign students to teams that will complete a graded assignment. The team's score will count towards each team member's course grade.
 - There is no way to make-up team assignments – students who are absent will receive a zero for any graded work submitted that day.

Schedule:

I will send an updated and detailed weekly schedule to students before each week. A typical week will follow a schedule similar to the one below, although this will be adjusted as necessary: Monday – Review prior material. HW is due. Discussion of new material
Tuesday – Discussion and problem solving.

Wednesday Discussion and problem solving.

Thursday –HW is due. Discussion and problem solving. Review.

Friday – Quiz

- To be successful in this course students should read relevant material before class and come to class prepared to discuss the readings and solve problems.

Planned Schedule of Topics (will be adjusted as necessary)

| <u>Week</u> | <u>Topics</u> | <u>Assignments</u> |
|------------------------|---|--|
| 1 June 28- Jul.2 | Introduction Supply and Demand (S&D) | How will this class work? The importance of scarcity and opportunity cost How do economists view decisions? What do S&D represent? Using graphs and equations What is equilibrium? When do markets reach equilibrium? Changes in S&D Elasticity Producer and Consumer Surplus Efficiency Government intervention – price controls, taxes, regulations subsidies, etc. |
| 2 Jul. 5-9 | S&D, Decision Making | Applications of S&D Where does demand come from? Rationality and utility maximization. Where does supply come from? Productivity and Costs |
| 3 Jul. 12-16 | Profit Maximization | Costs Profit Maximization Firm and Industry Supply Market Structure – competition to monopoly Efficiency |
| | | HW 1 Quiz 1 Chapters 1 – 3 HW 2 & 3 Quiz 2 Chapters 4 – 6 HW 4 & 5 Quiz 3 Chapters 7 – 11 |



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| 4 Jul. 19- Jul. 23 | Expected & Discounted NPV Market Failure | Risk, Uncertainty, and Insurance Preferences and choices across time What is market failure? Examples of market failure: externalities, public goods, information asymmetry, etc. Remedies for market failure – the role of government | HW 6 & 7 Quiz 4 Chapters 14, 16 – 17 |
| 5 Jul.26- Jul.30 | Behavioral Economics | Are consumers rational? Types of irrational behavior – Heuristics and Biases Does irrationality matter? | HW 8 Chapter 18* FINAL EXAM |

* We will have other readings that professor will distribute electronically.