

Intermediate Microeconomics

Econ 301-051, Summer 2006

MTR, 9:00am- 12:35pm

Room: Bolton B92

Instructor Information:

Arun Sarkar

Office: 815 Bolton Hall

Phone: 229-4159

E-mail: asarkar@uwm.edu

Office Hours: Tuesdays 1:00pm-2:00pm or by appointment

Scott Hegerty

Office: 815 Bolton Hall

Phone: 229-4159

Email: shegerty@uwm.edu

Office Hours: Tuesdays 1:00pm-2:00pm or by appointment

Objectives of the Course:

Microeconomics is the study of individual decision making. Our decision makers are consumers and firms. First, we will look at consumer demand and show how consumers maximize their well-being given scarce resources. Using the basic market tools of supply and demand, the course examines how the behavior of consumers and firms dictate economic outcomes. The main body of the course covers the theory of the firm. Topics will vary from production and pricing decisions to structures, from perfect competition to monopoly. Emphasis will be placed on the potential role for government intervention when the market results in an inefficient outcome. Some of the topics include: rent control, agricultural subsidies, tax policy, tariffs, environmental policy and monopoly regulation.

Text and Materials:

The required text for this course is Intermediate Microeconomics and its Applications (*9th edition*, Publisher: Thompson- South Western), by Walter Nicholson. The text is available at the bookstore in the Union.

Course Outline:

- Ch. 1 Economic Models (Especially Appendix to chapter 1, i.e. Mathematics used in Microeconomics)
- Ch. 2 Utility and Choice
- Ch. 3 Individual Demand curves
- Ch. 4 Market Demand and Elasticity
- Ch. 5 Production
- Ch. 6 Costs
- Ch. 7 Profit Maximization and Supply
- Ch. 8 Perfect Competition
- Ch. 9 Applying the Competitive Model
- Ch. 10 Monopoly
- Ch. 11 Imperfect Competition
- Ch. 12 Strategy and Game Theory
- Ch. 15 Uncertainty and Information (depending on time available)
- Ch. 16 Externalities and Public Goods

Assignments and Assessment:

The first seven chapters will be covered by Arun Sarkar, followed by the Midterm Exam, which will be worth 50% of the final grade. The other six or seven chapters will be covered by Scott Hegerty; then there will be the Final Exam (only on the topics covered after the Midterm Exam), which will be worth the other 50% of the final grade. The format of the exams will be a mix of short answers and numerical questions. We may also assign some homework, but those will not be graded. Those will be just for your practice. Your letter grade for this course will be determined by the total points you earn relative to the total points other students enrolled in this course earn.

Note: *There is no make-up examination.*

The material builds upon itself, so keeping up to date with the readings and lectures is very important. Typically, lectures will extend the results from the previous class. Missing lectures will greatly enhance the difficulty of the course. If there are concepts that you find confusing, please ask for help as soon as you can. The Midterm will be on July 10th and the Final Exam will be on July 20th. Both the exams will be in Bolton B92 (same as class).

Math: Knowledge of calculus is not required for this course. In lecture, and in the text, all of the concepts will first be explained with nothing more than high-school algebra. Occasionally we will use some basic calculus for an alternative explanation. We will review some of the basic math in the first day and then whenever necessary.

Note: Academic misconduct (including cheating on an examination, submitting others' work as one's own or submitting work previously presented in another course) will result in a grade of zero on the assignment or test, and can lead to an F in the course—as well as probation, suspension or expulsion from the University. Academic conduct procedures are specified in Chapter UWS 14 and the UWM implementation provisions (Faculty Document 1686). *Rule of Thumb:* If you need to look it up to determine “is it misconduct?,” *it probably is.*

Information on Economics Department policies on participation by students with disabilities, accommodation for religious observance, academic conduct, complaint procedures, grade appeal procedures, and harassment is available at the main office of the Economics Department in Bolton 868.