

University of International Business and Economics International Summer School

ECON 301 Intermediate Microeconomics

Term: May 28 – June 28, 2018

Instructor: Neal Rappaport

Home Institution: Williams College

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Class Hours: Monday through Thursday, 120 minutes each day, 15:20 - 17:20

Other Teaching Hours: Monday through Thursday, 17:30 - 19:30

Office Hours: Monday through Thursday: 10:00 - 12:00, 13:00 - 14:30; Friday schedule will be announced in class and subject to variation.

Discussion Session: 2 hours each week

Total Contact Hours: 66 contact hours (45 minutes each)

Credit: 4 units

Course Description:

Microeconomic theory concentrates on the study of choices made by individual consumers and firms and their implications for the allocation of resources and the distribution of income in an economy. We begin by studying the optimizing behavior of households in a variety of settings: buying goods and services, saving, and labor supply decisions. Next, we study the behavior of firms in various kinds of markets, focusing on the outcomes of competitive and noncompetitive markets and emphasizing the relationship between market structure and market performance. Additional topics may include: welfare criteria and implications; introduction to general equilibrium analysis; game theory; causes and consequences of market failure, and government policy responses to market failures. A significant part of our work will involve development of the tools and methods necessary to examine the situations described above.

Prerequisite:

- ✧ Introductory Microeconomics
- ✧ One semester of college-level calculus

Note: Students who do not know elementary calculus will have a difficult time in this course

Course Goals:

A student who satisfactorily completes this course should:

- ✧ Become familiar with the standard tools of microeconomic analysis.
- ✧ Be able to apply these tools in a variety of situations.
- ✧ Understand the concepts of allocative and productive efficiency.
- ✧ Understand the implications of different market structures.

Required Textbook:

Intermediate Microeconomics: A Modern Approach, by Hal R. Varian, 9th edition (2014), published by W. W. Norton and Company (ISBN: 978-0-393-91967-7). This text is available in a kindle edition and as an ebook through the publisher's website at wwnorton.com. Note that editions 8 or 9 are acceptable.

Suggested Text:

Workouts in Intermediate Microeconomics: for Intermediate Microeconomics: A Modern Approach, 9th edition, by Theodore C. Bergstrom and Hal R. Varian (2014), published by W. W. Norton and Company (ISBN: 978-0393922615). This text provides supplemental problems and exercises. It is only available in paperback.

Grading Policy:

Grades for this course will be based on the following:

- ✧ 25% Midterm exam (250 points)
- ✧ 35% Final exam (350 points)
- ✧ 24% quizzes (given on Thursdays when there is not an exam; 3 at 8% each) (240 points)
- ✧ 10% Homework Assignments (1 each week) (100 points) (No late homework accepted.)
- ✧ 6% Classroom engagement (attendance, attention, participation in discussions, etc.) (60 points)

Notes on Homework:

1. Some of the homework questions may be taken from the required textbook or recommended supplemental readings. Answers to these questions are available online or in published materials. As a requirement to receive credit on the homework, you must state and sign that you did not consult any online or published materials to obtain the answers to these questions. No points will be given for homework submitted without this certification.

- "I certify that I did not consult any online or published materials to directly obtain or check the answer to any question in this homework set." Signed...

2. You are encouraged to work in groups of 2 or 3 on the homework sets. Each individual must submit their own set of solutions.

When in doubt about any policy, please ask me.

Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

A	90-100	C+	72-74
A-	85-89	C	68-71
B+	82-84	C-	64-67
B	78-81	D	60-63
B-	75-77	F	below 60

Class Expectation:

Students are expected to:

- ✧ Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.
- ✧ Complete the day's required reading and assignments before class.
- ✧ Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading.

- ◇ DO NOT text, phone or engage in computer activities unrelated to class during class time
- ◇ Participate in class discussions and complete required written work on time.

Attendance Policy:

Summer school is very intense and to be successful, students need to attend every class. Attendance will be recorded. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. Any unexcused absence may impact on the student's grade. Moreover, UIBE policy is that a student who has missed more than one-third of a course will fail the course.

Course Schedule:

The planned schedule below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

Dates	Topic	Readings *
Day 1, 28 May, Monday	Introduction	Chapter 1
Day 2, 29 May, Tuesday	Budget constraints	Chapter 2
Day 3, 30 May, Wednesday	Preferences and Utility	Chapters 3 & 4
Day 4, 31 May, Thursday and Day 5, 4 June, Monday QUIZ 1: 31 May, Thursday	Consumer Choice	Chapters 5 & 6
Day 6, 5 June, Tuesday	Substitution and Income Effects	Chapter 8
Day 7, 6 June, Wednesday	Labor Supply	Chapter 9
Day 8, 7 June, Thursday QUIZ 2	Intertemporal Choice	Chapter 10
Day 9, 11 June, Monday and Day 10, 12 June, Tuesday	Consumer Surplus	Chapter 14
Day 11, 13 June, Wednesday	Market demand and Equilibrium	Chapters 15 & 16

Day 12, 14 June, Thursday	Midterm Exam	
Day 13, 18 June, Monday	Technology and Profit Maximization	Chapters 19 & 20
Day 14, 19 June, Tuesday	Cost Minimization and Cost Curves	Chapters 21 & 22
Day 15, 20 June, Wednesday	Supply Under Competition	Chapters 23 & 24
Day 16, 21 June, Thursday QUIZ 3	Monopoly	Chapters 25 & 26
Day 17, 25 June, Monday	Oligopoly	Chapter 28
Day 18, 26 June, Tuesday	Game Theory and Applications	Chapters 29 & 30
Day 19, 27 June, Wednesday	Behavioral Economics	Chapter 31
Day 20	Final Exam	

* All chapter references are to the required textbook.