

INTERMEDIATE MICROECONOMIC THEORY (ECON 3070-010 AND 3070-030)
Department of Economics, University of Colorado
Spring 2018

Professor:	Charles de Bartolome	Recitation instructor:
Office hours:	M 2:40-3:30 pm; Tu 1:30-2:30pm F 9:00 - 10:00 pm.	Recitation time: Recitation place:
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Textbook: Austan Goolsbee, Steven Levitt and Chad Syverson, (2016), *Microeconomics* (2nd Edition) WITH LAUNCHPAD ACCESS. Worth Publishers.

Buying textbooks is expensive. I do not recommend that you purchase it. Let sure whether you will be able to purchase it.

Desire2Learn. This is my preference. Each student must enroll in LaunchPad. In addition to providing additional

learning materials, there are weekly quizzes on LaunchPad which will be graded. Each quiz is due by 10am on Monday.

The first LaunchPad quiz is for practice only and is due at 10am on Monday 22 Jan. The first Launchpad quiz which is graded is due at 10am on Monday 29 Jan.

There are additional assignments associated with reading the textbook before class

problems which will be scored.

Clickers must be registered at: <https://myCUinfo.colorado.edu>. Register using your Identity Login (*not* your student ID).

Course description:

The course's primary goal is to prepare students with the basic tools used in the 4000-level courses. It presents the material by considering the different stages of economic development. The decisions by households of how hard to work, which goods to buy and how much to save are presented in an undeveloped economy. A firm is then posited to discover a production process and to become a monopoly: its pricing decisions are discussed. The monopoly's profits induce entry and the industry becomes an oligopoly. The interaction between the firms is used as a tool to present game theory. As more firms enter, the industry becomes competitive. The welfare consequence of the different industry structures are discussed.

Course Level:

The course builds on the material presented in the Principles of Microeconomics (ECON 2010), covering the material at a more advanced level. The basic relationships are developed graphically and using calculus.

Pre-requisites:

ECON 2010 (Principles of Microeconomics);


AND

EITHER ECON 1088 OR MATH 1081 OR MATH 1300 OR MATH 1310 OR APPM 1350 (all min grade C-).

Students must have at least 22 credit hours completed

Course assignments and Desire2Learn webpage:

All course assignments and most lecture notes are posted on the Desire2learn course webpage located at: <https://learn.colorado.edu>

Please note that six pages of each Adobe Acrobat file can be printed on a single sheet by clicking as: download >  > download > show in folder > print > multiple > 3 x 2, landscape

Attendance at class:

Recitations: Recitations start w/c 22 January.

The recitations are an integral part of the course and therefore attendance at recitation is required. Recitations will go over the weekly problem set.

The weekly problem set is posted on the Desire2Learn webpage. Before the recitation, you must attempt to work through the weekly problem set. The recitation reviews the problem set.

The weekly problem set is designed to present problems at a deeper level than the LaunchPad quizzes. The format of the exams will be closer to the format of the weekly problem set than to the LaunchPad quizzes.

Grading: There are two midterm exams, a final exam, in-class clicker questions, assignments associated with LaunchPad, and recitations. The grade of the student will be determined as:

22%	First Midterm,
26%	Second Midterm,
27%	Final
8%	In-class clicker questions
8%	LaunchPad quizzes
9%	Recitations

Concerning in-class clicker questions. I wV

Accommodations for students with special needs:

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website (www.colorado.edu/disabilityservices/students). Contact Disability Services at 303-492-8671 or dsinfo@colorado.edu for further assistance.

If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss your needs with your professor.

Religious Observances:

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please let me know in a timely manner if one of the exam dates or dates on which an assignment is due falls on a religious holiday you intend to observe and I will arrange for you to take a make-up. See policy details at: http://www.colorado.edu/policies/fac_relig.html

Classroom Behavior:

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. For more information, see the policies on classroom behavior and the Student Code of Conduct. See policies at <http://www.colorado.edu/policies/student-classroom-and-course-related-behavior>
And at:
<http://www.colorado.edu/osccr/>

Academic Integrity:

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the academic integrity policy. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, resubmission, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code Council as well as academic sanctions from the faculty member. Additional information regarding the academic integrity policy can be found at the Honor Code Office website.

Discrimination and Harassment Policy:

The University of Colorado Boulder (CU Boulder) is committed to maintaining a positive learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct, discrimination, harassment or related retaliation against or by any employee or student. CU's Sexual Misconduct Policy prohibits sexual assault, sexual exploitation, sexual harassment, intimate partner abuse (dating or domestic violence), stalking or related retaliation. CU Boulder's Discrimination and Harassment Policy prohibits discrimination, harassment or related retaliation based on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Individuals who believe they have been subject to misconduct under either policy should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127. Information about the OIEC, the above referenced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the OIEC website.

Course outline:

A list of topics to be covered and likely dates is shown on the next pages. This is an provisional plan. Topics may take more or less time than estimated in this plan.

(PROVISIONAL) COURSE OUTLINE

Date

Topic

	Market demand curve	5.5
9 Feb	LABOR CHOICE Labor Supply Savings	13.2
12 Feb	In-class Review 7-9 pm FIRST MIDTERM	
14, 16, 19 Feb	VALUING GOODS MARKET ACTIVITIES Individual Benefit Marginal Benefit Marginal benefit curve \equiv Individual demand curve Net Benefit from Buying \equiv Consumer Surplus Society's Marginal Benefit Marginal Social Benefit Curve \equiv Market Demand Curve Society's net benefit from buying	3.1
21, 23 Feb	VALUING LABOR MARKET ACTIVITIES Individual's marginal cost of labor Individual's marginal cost of labor \equiv individual's labor supply curve Individual's net benefit from working Society's Marginal Cost of labor Social Marginal Cost Curve \equiv Market labor supply curve Society's net benefit from working	

2. FIRMS

26, 28 Feb	PRODUCTION	
2 Mar	Production Function - marginal product - diminishing marginal product	6.1, 6.2, 6.3
	Iso-quant Marginal rate of technical substitution	6.4 (pp. 210-214)
	Returns to scale	6.5
	Short-run and long-run	6.2
	Short-run production	6.3
5 Mar	CHOOSING INPUTS AND COST Isocost line Choosing input mix - rule: "marginal rate of technical substitution = input price ratio"	6.4 (pp. 214-216) 6.4 (pp. 217-222), 6.Appendix (pp 239-242)

	Comparative Statics	
	- wage change	
	- output change	
	- technology change	6.6
7, 9, 12 Mar	SHORT-RUN AND LONG-RUN COST	
	Total Cost Curve	6.7
	Fixed Sunk and Variable Cost	7.1, 7.2, 7.3
	Marginal and Average Cost	7.4
	Short-run and Long-run cost relationship	7.5
14 Mar	PROFIT	
	Accountant's, Managers' and Society's Profit	

3. "MARKET" INTERACTIONS: HOUSEHOLDS AND FIRMS TOGETHER

16, 19 Mar	THE BENCHMARK	
	Producer Surplus	3.1
	Net Benefit Created = Consumer Surplus + Producer Surplus	
	The Planner	
	Maximum Possible Net Benefit Created (Efficiency)	
	Equity concerns	
21 Mar	In-class review	
	7 - 9 pm SECOND MIDTERM	
23 Mar	No class	
2, 4, 6, 9, 11 Apr	"MARKET" ET "EXÁr% "	

13, 16 Apr	STRATEGIC ANALYSIS: GAME THEORY	
	Game	12.1 (pp. 466-467)
	Extensive Form	
	Information Set	
	Strategy	
	Normal Form	12.1
	Nash Equilibrium	12.2 (pp. 469-475)
18, 20 Apr	“MARKET” = DUOPOLY	
	Cournot Quantity Competition	11.3
	Welfare properties of duopolistic markets	
23, 25 Apr	“MARKET” = OLIGOPOLY AND MARKET ENTRY	
	Perfect competition as a sequence of successful entries	
27 Apr	“MARKET” = COMPETITIVE MARKET	
	Price-taking	8.1, 8.2
	Firm’s choice of quantity to maximize profit	
	- rule: “marginal cost = price”	
	<i>Short-run</i> : fixed number of firms	2.3, 2.4, 8.3