UNIVERSITYof **HOUSTON**

Intermediate Microeconomic Theory – Econ 3332
Fall Semester – 2014
Section 1: 10:00 am - 11:30 am, Tuesday -Thursday, Roy G. Cullen Building 102
Section 2: 11:30 am - 1:00 pm, Tuesday -Thursday, Roy G. Cullen Building 111

Contact information

Instructor:
Prof. Andrea Szabo   E-mail: aszabo2@uh.edu
Office: 209 B McElhinney Hall   Office hours: Thursday, 1.30-2.30 pm.

Teaching Assistant:
Ashmita Gupta   E-mail: agupta16@uh.edu
Office: 246 McElhinney Hall   Office hours: Monday and Friday, 11:00 am - noon

Course Description
Econ 3332 explores the foundations of microeconomic theory, focusing on the behavior of individuals and firms, and the interaction of these agents in the market. We will also examine the effects of government policies, market power and externalities on market efficiency.

Prerequisites
All students must have completed ECON 2304 or an equivalent introductory course in microeconomics. Additionally, you must have a good command of middle school and high school level algebra and graphical analysis. Homework 1 provides a review of these skills.

Textbook
David Besanko and Ronald R.Brauetigam: Microeconomics, 5th edition, Pearson Addison-Wesley, 2011, ISBN-10: 0138009007.
You may also buy the 4th or the 3rd edition of the book. You don't need an access code to the Wiley Plus website to complete the graded assignments, so you can buy a used copy of the listed editions. However, if you would like to have access to extra, ungraded practice assignments, please purchase an access code for the book. See more details under Practice exercises.

Course Requirements
There will be 10 homework assignments, 2 midterms, and a final.

All homework assignments will be done online through the University of Houston Blackboard Learn website. Each student is required to enroll.

Midterms will be given in class on the dates listed in the calendar below. There are no makeup midterms. If a student, for whatever reason, is unable to take one of the midterms at the scheduled time, I will base the student's final grade on the other course components in the manner described below in the section labeled

"Course Grade." Specifically, in such a case, "Weighting 1" or "Weighting 2" will be used depending on whether the student missed midterm 1 or midterm 2.

There is no extension given on any homework deadline for any reasons. Please note that you are able to drop your two lowest homework scores to allow for some flexibility and emergencies.

All exams are closed book, but you can use a calculator. No computers of any kind, cell phones or programmable calculators. No cooperation is allowed during the tests. Academic misconduct will not be tolerated and any instances of it will be dealt with according to the appropriate University channels.

If you disagree with the grading of a midterm, submit it for further review. You must submit a written argument for why you deserve more points for the specific question(s) you would like re-graded. If you do not specify this, the entire test will be re-graded and it is possible that you may lose points. You must submit these arguments within one week after the midterm has been returned.

The final exam will be cumulative with some emphasis on the material covered after the second midterm.

Class Website
All assignments and handouts will be posted on the class website in Blackboard Learn. Go to http://www.uh.edu/blackboard and click the white "Blackboard Learn" button. Log in with your CougarNet ID and password.

There is a mobile version of the class website through the Blackboard App, which is available for Apple, Android and Blackberry devices.

All technical and login help for Blackboard is provided by UH IT.
Email: support@uh.edu
Phone: 713-743-1411, every day 8 am to 8 pm (except University holidays)
In person: 58 MD Anderson Library - Technology Commons, every day 8 am to 8 pm (except University holidays); 1st floor MD Anderson Library and Welcome Center, first two weeks of semester only
Live chat: http://www.uh.edu/infotech/livechat Monday-Friday 8 am to 8 pm (not available Saturday-Sunday and on university holidays)

For more Blackboard resources, see Blackboard Student Help
http://www.uh.edu/blackboard/help/

Practice exercises
There will be a large number of practice exercises provided for each book chapter in Blackboard. These exercises cover the material that we discuss during class. There is no credit for completing any of these practice exercises and you don't need to have access to them in order to successfully complete the class. Based on students' individual interests, if you would like to have access to practice exercises, please purchase a Wiley Plus access code and register here:

https://www.wileyplus.com/WileyCDA/
Look for University of Houston, Main and then click on Intermediate Micro, 3332. You should see my name under the class. Follow the on-screen instructions.

All technical and login help for Wiley Plus is provided by their customer support. Please visit http://wileyplus.custhelp.com/app/home for more details.

Grading
The overall numerical course score will be determined by weighting the course components three different ways and using the highest weighted score. I will drop your lowest 2 homework scores to allow for some flexibility. Thus you will have 8 assignments that count towards your final grade.

Course Component	Weighting 1 (MT1 is lowest score)	Weighting 2 (MT2 is lowest score)	Weighting 3 (Final is lowest score)
Problem Sets	20	20	20
Midterm 1	0	30	25
Midterm 2	30	0	25
Final	50	50	30
Total	100	100	100

The numerical course grade will be converted to a letter grade according to the following scale:

92%-100%	A
90%-91%	A-
88%-89%	B+
82%-87%	B
80%-81%	B-
78%-79%	C+
52%-77%	C
40%-51%	C-
38%-39%	D+
33%-37%	D
30%-32%	D-
-29%	F

There is no curve for the class. This means that you are not competing with other students, and you will always know exactly where you stand in the class based on your performance.

Other Course Policies

Don't fall behind and make sure to ask me for help when you don't understand a concept. I am here to help!

You may work on problem sets with other students in a study group, but each student must submit their own answers. If you work in a study group, you must also write the names of the other students in your group at the beginning of your answers (for essay / short answer questions in Blackboard).

Answers to both homework and exam questions will be graded not only on the correctness of the answer, but also on the clarity of the explanation. Answers with a correct answer alone will not receive full credit. Complete and logically consistent answers are needed to receive full credit.

I don't negotiate about grades - ever. There is no curve for the class. Your grades will be based on the syllabus.

Come prepared - do the readings before class.

Adhere to the university's academic honesty policy (it is described in the Student Handbook at http://www.uh.edu/academics/catalog/policies/academ-reg/academic-honesty/).

If you have special learning needs, please contact me in the first two weeks of classes.

If you need to contact me, I prefer office hours to emails.

Course Schedule

Class #		Date/Day		Topic	Besanko & Braeutigam Page numbers are based on the fifth edition.	Problem Sets
1	Aug	26	T	Welcome to Intermediate Micro! Introduction, Syllabus What is a model in economics		
2		28	Th	Constrained optimization, Marginal reasoning	Ch. 1, p. 1-12	
3	Sept	2	T	Equilibrium analysis, Comparative Statistics	Ch. 1, p. 13-25	
4		4	Th	Demand, Supply and Market Equilibrium	Ch. 2 p. 26-45	
5		9	T	Elasticity Price elasticity of demand, Income elasticity of demand, Cross Price elasticity of Demand *Application 1:* *How people buy cars*	Ch. 2 p. 45-56 Application 2.4, 2.5, 3.3	PS 1 Due
6		11	Th	Representations of preferences, Utility functions	Ch. 3 p. 75-94	
7		16	T	Special preferences *Application 2: Does more make you happier?*	Ch 3 p. 95-104 Application 3.6	PS 2 Due
8		18	Th	The budget constraint	Ch 4 p. 104-112	
9		23	T	Optimal choice I Optimality, Corner points, Composite good *Application 3: Pricing a calling plan*	Ch 4 p. 112-126 Application 4.4	PS 3 Due
10		25	Th	Optimal choice II Optimal choice and demand, The effect of a change in income	Ch 5 p. 152-175	
11		30	T	Concept of consumer surplus Compensating variation and equivalent variation	Ch 5 p. 175-186	
12	Oct	2	Th	*Application 4: Measuring the Effect of Wal-Mart* Review for Midterm I	Application 5.5	PS 4 Due
13		7	T	**Midterm I**		
14		9	Th	Midterm I Discussion Inputs and Production Functions Total, marginal and average product	Ch 6 p.204-220	
15		14	T	Substitutability among inputs, Special	Ch. 6 p. 221-	

				production functions, Returns to scale *Application 5: Measuring productivity*	237 Application 6.5	
16		16	Th	Costs and Cost minimization Opportunity cost, The cost minimization problem	Ch. 7 p.249-262	PS 5 Due
17		21	T	*Application 6: Self-Checkout or cashier?*	Chapter 7 Introduction and Application 7.4	
18		23	Th	Cost curves Long run and short run curves and the relationship between them	Ch 8 p. 289-311	PS 6 Due
19		28	T	Competitive market Perfect competition, profit maximization by a price taking firm, short run equilibrium	Ch 9. 331-353	
20		30	Th	Long run equilibrium, Producer surplus	Ch 9. 356-362, 374-380	
21	Nov	4	T	Taxes and subsidies	Ch 10 p. 390-404	PS 7 Due
22		6	Th	Price ceilings and floors *Application 7: Scalping Super Bowl Tickets on the Internet* Review for Midterm II	Ch 10 p. 405-417 Application 10.3	
23		11	T	**Midterm II**		
24		13	Th	Midterm II Discussion Monopoly Profit maximization by a monopoly	Ch 11. 443-454	PS 8 Due
25		18	T	*Application 8: DeBeers Diamond Monopoly*	Application 11.1	
26		20	Th	Externalities Negative and positive externalities, Common property, Property rights and the Coase Theorem	Ch. 17 p.703-727	PS 9 Due
27		25	T	*Application 9: Congestion Pricing in London*	Application 17.4 and 17.5	
28		27	Th	**No class. Thanksgiving.**		
29	Dec	2	T	Public Goods Efficient provision of a public good, The free rider problem	Ch. 17 p.728-733	
30		4	Th	Discussion of final exam		PS 10 Due

FINAL – Section 1: Tuesday, Dec 16, 11:00 am - 2:00 pm
Section 2: Thursday, Dec 18, 11:00 am - 2:00 pm