

SYLLABUS

ECONOMICS 501.02: INTERMEDIATE MICROECONOMICS

Professor Bruce A. Weinberg

CONTACT INFORMATION

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Office Hours: Tuesday 1:30-3:30 and by appointment
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Virtual Office Hours: I am available 24/7 at weinberg.27@osu.edu.

The web site for the course is: <http://economics.sbs.ohio-state.edu/weinberg/501>.

Many of the course materials will be posted at that site.

INTRODUCTION

This is a calculus-based course in intermediate course in microeconomics. Throughout the course we will focus on the efficiency and equity (or fairness) of markets and the effects of government regulations. For example, we will ask whether the market can be relied upon to produce the right goods in the most efficient manner and whether these goods will wind up in the hands of the people who value them the most. To do this, the first part of the course starts by modeling the consumption decisions of individuals and the production decisions of firms. We will see that free markets lead to economic efficiency but not necessarily to an equitable distribution of goods or income. Government intervention generally interferes with the workings of the market.

This material is the heart of classical microeconomics, however it is an over-simplification in many ways. After the mid-term, we move beyond the framework developed in the first section to look at some problems with a free market. Among the topics we will cover are monopolies and environmental pollution. When these problems are important, government involvement in the economy can improve economic efficiency.

As indicated this is a calculus-based course, and you will need a strong background in differential and integral calculus.

GRADING

Your grade for this course will be based on six problem sets, one mid-term exam, and a final exam. The fraction of the points allocated to each is shown below. The problem set with the lowest score will be dropped. Thus, your score on the problem sets will be calculated from your score on your five best problem sets. An alternative grade breakdown is provided for students who do poorly on the midterm but who do better on the final. Your score will be calculated using both point allocations, and the highest score will be chosen automatically.

	Grade Breakdown	Alternative Grade Breakdown
Best 5 Problem Sets (4% each)	20%	20%
Midterm	30%	20%
Final Exam	50%	60%

You are responsible for all material in the classes and book. The midterm will cover chapters 2, 3, 4, 6, 7, and 8. The final exam will be comprehensive with an emphasis on new material (chapters 16, 10, 11, 12, and 18). Exams will contain multiple choice and written questions. Notes and calculators are not permitted during the exams.

MAKE UP POLICY

No make up exams will be provided for the midterm. Students missing the midterm for unavoidable and formally verifiable reasons will be graded on the alternative grade breakdown (out of a total of 80 points). Students missing the final for unavoidable and formally verifiable reasons will be given a make up exam. Exams missed for avoidable or for unverifiable reasons will be assigned a grade of 0.

PROBLEM SETS

Problem Sets will be distributed in class. The due dates indicated are subject to modification depending on the progress of the course. Problem sets are due at the beginning of class. Problem sets may be turned into my mailbox in the office of the Department of Economics (410 Arps Hall) between 8:00am and 5:00pm (when the office is open) and at least one half hour before class begins. No credit will be given for late problem sets. As indicated above, your lowest scored problem set will be dropped. You may work together on the problem sets, but your answers must be written up individually.

TUTORING

The Economics Department provides free tutoring services to students enrolled in ECON 200 and 201. The Economics Learning Center (ELC) is located in Arps 341, and is open Monday-Friday from 9:30-5:00. Other courses may be tutored when tutors have adequate experience and are available.

READINGS

The textbook for this course is Robert S. Pindyck and Daniel Rubinfeld, *Microeconomics*, 5th or 6th Edition, Prentice Hall. The textbook has been ordered at the major campus bookstores.

All readings are in Pindyck and Rubinfeld. All readings should be completed prior to class on the date indicated. The homepage for the book is:

<http://myphlip.pearsoncmg.com/cw/mpbookhome.cfm?vbookid=152>

PRACTICE QUESTIONS

The following problems are provided for students interested in additional practice. Of the questions in the book these are the closest in nature to the ones that will be on the exams. You are **not** required to do these problems, and they will **not** be collected. Answers to some questions are provided in the back of the book.

5TH EDITION

Chapter 2 Review #1, 3, 6; Exercises #1, 4. Chapter 3 Review #2, 4, 5; Exercises #1, 6, 8, 9, 10. Chapter 4 Review #1, 2, 4, 5; Exercises #4, 5. Chapter 6 Review #1, 3, 5, 6, 7. Exercises # 5. Chapter 7 Review # 1, 2, 5, 6. Exercises # 1, 3, 4. Chapter 8 Review #1, 2, 3, 5; Exercises # 6, 7, 8. Chapter 9 Review # 1, 3, 9; Exercises #1a, 2a,b. Chapter 10 Review # 1, 4, 5, 7, 8. Exercises #2, 4a, 8, 9. Chapter 11 Review # 1, 2, 3, 4, 6; #1, 2, 3. Chapter 12 Review # 1, 2, 3, 4; Exercises #3. Chapter 16. Review # 2, 3, 4, 5, 9, 10 Exercises # 4. Chapter 18 Review # 3, 5, 7; Exercises #1, 3, 4. Calculus questions in Appendices. Chapter 4 # 2, 4. Chapter 7 # 1, 2, 3, 4.

6TH EDITION

Chapter 2 Review #1, 3, 8; Exercises #2, 6. Chapter 3 Review #2, 4, 5, 6; Exercises #1, 6, 8, 9, 10. Chapter 4 Review #1, 2, 5, 6; Exercises #4, 13, 14. Chapter 6 Review #1, 3, 6, 7, 12. Chapter 7 Review # 1, 2, 7, 8. Exercises # 3, 4, 5. Chapter 8 Review #1, 2, 3, 5; Exercises # 5. Chapter 9 Review # 1, 3, 9; Exercises #1a, 2a,b. Chapter 10 Review # 1, 4, 5, 7, 8. Exercises #2, 4a, 10, 11. Chapter 11 Review # 1, 2, 3, 4, 6; #1, 2, 3. Chapter 12 Review # 1, 2, 3, 4; Exercises #3. Chapter 16. Review # 2, 3, 4, 5, 9, 10 Exercises # 3. Chapter 17 Review #1, 2, 3, 6; Exercises #7, 8; Chapter 18 Review # 3, 9, 12; Exercises #1, 3, 4. Calculus questions in Appendices. Chapter 4 # 2, 4. Chapter 7 # 1, 2, 3, 4.

ACADEMIC MISCONDUCT

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

STUDENTS WITH DISABILITIES

Students with disabilities that have been certified by the Office for Disabilities Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs.

COURSE SCHEDULE

Wed., Sept. 20 – Overview

Mon., Sept. 25 – Optimization - Appendix to Chapter 4, pp. 139-144.

Wed., Sept. 27 – Chapter 2 (skip 2.5 & 2.6) and Consumer Behavior - Chapter 3

Mon., Oct. 2 – Consumer Behavior (continued)

Wed., Oct. 4 – Individual & Market Demand - Chapter 4 (skip 4.6 & Appendix)

Mon., Oct. 9 – Individual & Market Demand (continued) – **PS 1 Due**

Wed., Oct. 11 – Production – Chapter 6. Sections 6.1 and 6.2 (and 6.3 if 6th edition) only
and Costs of Production - Chapter 7 & Appendix (skip 7.5, 7.7)

Mon., Oct. 16 – The Costs of Production (continued) – **PS 2 Due**

Wed., Oct. 18 – Profit Maximization and Competitive Supply - Chapter 8

Mon., Oct. 23 – Profit Maximization and Competitive Supply (continued) – **PS 3 Due**

Wed., Oct. 25 – General Equilibrium and Economic Efficiency - Chapter 16

Mon., Oct. 30 – **Midterm**

Wed., Nov. 1 – General Equilibrium and Economic Efficiency (continued)

Mon., Nov. 6 – Market Power: Monopoly & Monopsony - Chapter 10 (skip 10.5, 10.6)

Wed., Nov. 8 – Market Power: Monopoly & Monopsony (continued) – **PS 4 Due**

Mon., Nov. 13 – Monopolistic Competition & Oligopoly - Chapter 12

Wed., Nov. 15 – Pricing With Monopoly Power - Chapter 11 (skip 11.5, 11.6 &
Appendix) – **PS 5 Due**

Mon., Nov. 20 – Markets with Asymmetric Information - Chapter 17 (17.1, 17.2, 17.3)

Wed., Nov. 22 – No class, Thanksgiving.

Mon., Nov. 27 – Externalities & Public Goods – Chapter 18

Wed., Nov. 29 – Review Session – **PS 6 Due**

Thursday, December 7, 7:30 - 9:18 AM - **Final Exam - Held in Normal Class Room.**
Cumulative, but emphasis on new material.