Seattle University  
Economics 3110: Intermediate Microeconomics

Winter 2019, Tuesday, Thursday 1:30 – 3:35 p.m.  
Pigott 200

Syllabus

Dr. Brian Kelly  
405 Pigott Hall  
kellybr@seattleu.edu  
206-296-5711

Office Hours: 11:15 – 12:15 Tuesday & Thursday  
4:00 – 5:00 Tuesday

If you have conflicts at these times, I am flexible with appointments.

First class: Tuesday January 8  
Final Exam: Wednesday, March 20, 12:00 – 1:50

Our objectives for this course

Microeconomics is enormously useful in your further academic studies, in your professional lives, and in just understanding the world around you. There is a set of knowledge and tools that constitutes basic training in microeconomics. Our main objective is to complete your mastery of the basics, which you began in your earlier economic studies. “Basics” now emphasize rational choice and its implications. We will solidify the concepts that you know already, extend them, and provide additional tools of analysis. This will occupy the roughly the first eight weeks of the course. The major new topics for most of you will be the theory of rational choice and of multi-market equilibrium.

In the last two weeks we will be considering aspects of information and behavioral economics, extremely important topics not systematically covered by any other course at Seattle University.

At the end of the course, you will be prepared to take more specialized courses with a micro orientation in finance, economics, public policy, strategy, marketing, and so forth. You will share a common body of knowledge with future colleagues in the work force, allowing faster communications and joint understanding of problems. You will have the minimally necessary microeconomic background for graduate study in economics. You will be able to read the more technical parts of publications such as The Economist or The Wall Street Journal and understand what is being said, and what is not being said, and you will be much closer to being able to read much of the academic economics literature.
Required Text

The required text is Walter Nicholson and Christopher Snyder, *Microeconomics: Theory: Basic Principles and Extensions*, 12th (13 digit ISBN 978-1-305-50579-7) or 11th (13 digit ISBN 978-1-111-52553-8) editions. This is widely available for sale on the internet; the bookstore carries the 12th edition. You are not required to have access to the electronic materials that accompany new versions of the text. If you have a choice between editions and the price premium is not too great, I recommend the 12th - it corrects a couple of errors and has section numbers– but either one is fine.

Schedule and Course Coverage

The schedule for the first half of the term at the end of this syllabus. The course has four main parts, listed here with the chapters from the text that most nearly correspond: consumer choice (3, 4, 5, 6), production, costs and profits (9, 10, 11), partial and general equilibrium (12, 13), and information and behavioral economics. For the last topic, we will use materials other than the text. There will be a scattering of short special topics that do not fit into the above categories comfortably.

The text can be difficult in places, and I will not be assigning 100% of each of the above chapters. In advance of each of the topics, I will provide you with “A guide to the reading”, which you should peruse before starting.

Grading

Your grade will depend on problem sets, two in-class exams, a group presentation, and the final exam.

Problem sets (30% of overall grade). Five written assignments, each worth 6% of the course grade. (So: do not skip an assignment!) Most of you will find the problem sets challenging. Heck, all of you will find the problem sets challenging! Unless I specify otherwise, you may work with others on the problem sets. However, you should prepare your own version of the responses.

In-class “midterm” exams (each, 15% of overall grade), the first covering through consumer theory, the second covering production, costs, profits, and equilibrium. Information and behavioral economics will not be covered by a midterm, but will appear on the final.

Group presentations on specialized topics, worth 10% of the grade. I will assign the topics and groups.

Final exam (30% of overall grade). The final will comprehensive.

Finally, there will be an extra credit option, worth an additional 5%: a short paper based on an information or behavioral economics topic that you choose from a list that I prepare.

Grade Scale:

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Class sessions

Classes will be a combination of lecture, discussion, and problem-solving, with about 5 group presentations during the term. You are all adults and I leave your attendance up to you. However, attendance is strongly encouraged; you will have a great deal of trouble in this course if you do not attend regularly. If I develop a topic in lecture in greater depth than in the text or my lecture notes, it is likely because I view it as important and it may find a home in an exam. The exams and final may include questions related to the group presentations.

University resources and policies

Academic Resources:

- Library and Learning Commons (http://www.seattleu.edu/learningcommons/)
  (This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (found on Canvas and SU Online)

Academic Policies on Registrar website (https://www.seattleu.edu/redhawk-axis/academic-policies/)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (only for those professional programs to which it applies)

Notice for students concerning Disabilities

If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.

Office of Institutional Equity

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University’s Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit https://www.seattleu.edu/equity/. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: oie@seattleu.edu; phone: 206.296.2824) University Resources and Policies

Minimum Background and Final Word

The prerequisites are a microeconomics principles course such as ECON 2110, and also a basic course in calculus. Intermediate microeconomics tends to require more student study time than other economics courses. This is true at any university. Please plan accordingly!
| Week 1 | Tuesday | January 8 | Introduction, Math Review  
Read Chapter 1 for class, begin assigned portions of Ch. 2 as soon as possible after reading the “Reading Guide” |
|--------|---------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Thursday| January 10| Math Topics; Begin Consumer Theory  
Complete chapter 2 reading; read the first 2 pages of Ch. 4, start Ch.3  
Problem set 1 available |
| Week 2 | Tuesday | January 15 | Consumer Theory: Utility & Choice  
Read Chapter 3 |
|        | Thursday| January 17 | Consumer Theory: Budget Lines and Graphical Illustration of Constrained Optimization  
Read Chapter 4 through the “2 good case” |
| Week 3 | Tuesday | January 22 | Consumer Theory: Constrained Optimization Using Math  
Read: Remainder of Chapter 4 that is assigned in the Reading Guide |
|        | Thursday| January 24 | Income and Substitution Effects; Concepts of Compensated and Uncompensated Price Changes; Hicksian Demand  
Read: Chapter 5 assigned pages  
Problem set,1 due |
| Week 4 | Tuesday | January 29 | Deriving Engel Curves and Demand Curves; Wrap Up Consumer Theory  
Review Chapters 3 -5 |
|        | Thursday| January 31 | Production  
Reading: per reading guide (mainly Chapter 9)  
Problem set, 2 due  
Problem set, 3 available |
| Week 5 | Tuesday | February 5 | Cost of Production  
Finish Chapter 9; through page 341 of Chapter 10  
First quiz covering Introduction and Consumer Theory (1 hour) |
|        | Thursday| February 7 | Cost of Production; Profits and Costs  
Reading: remainder Ch. 10, start Ch. 11 |