**ECON 3010**

**INTERMEDIATE MICROECONOMICS**

**Spring 2018**

**MR. MILLS**

**THE RULES**

Intermediate microeconomics is a core course for the economics major.  It is about how economic agents make decisions and how markets work. The prerequisites for this course are microeconomic principles (ECON 2010) and calculus II (MATH 1220 or 1320).

The text for this course is the print/electronic version of Microeconomics, 9th ed., by R. S. Pindyck and D. L. Rubinfeld, available for purchase at the University Bookstore.

Your grade is based on two midterm exams (20% each) during the semester, a cumulative final exam (40%), and homework and participation (10%).  The remaining 10% is based on either your average grade on the two midterms, or your grade on the final exam, whichever is higher. Exam dates are indicated in the schedule below.\*

You are to work alone during exams and sign the pledge. You may use a single page of notes during exams and you may use a calculator. But you must turn off your laptops, tablets, phones, and other electronic devices. If you leave the room and return during an exam, you must leave the exam and your electronic devices in the room. If I observe or am presented with compelling evidence of cheating on an exam, I will record a grade of zero for the exam. If you observe cheating, I encourage you to pursue the matter as prescribed by the Honor System.

You will be assigned to a group of about four students for the purpose of completing homework assignments. The assignments are due on the dates shown below and must be handed in at the beginning of class. Each group will hand in one bluebook. You may collaborate freely with other students (i.e., not just those in your group) in working these assignments; this work is not pledged. Your homework and participation grade will be based on your group's cumulative score on homework assignments and your own participation, in part determined by other members of your group.

The discussion sections scheduled on Mondays, Tuesdays and Wednesdays will be problem sessions. You will work with the members of your homework group, and other students, during these sessions. These problem sessions will be tightly integrated with the lectures, and are an essential part of the course.

I will post slides from the lectures, homework assignments and occasional announcements on the course web page. In addition, I will post several online exercises that walk you through the solutions of problems similar to those in the homework assignments and exams. You may use laptops to take notes during class, although I think you would be better served by using pencil and paper. In any case, as a courtesy to those seated around you, you may not use electronic devices for other purposes during class.

My office is 218 Monroe Hall. I hold regular office hours (first-come-first-seen) on Wednesdays from 3:30 until 5:30 PM. You can catch me after class or make an appointment to see me at other times if you have a conflict during regular office hours. Send e-mail to *mills@virginia.edu**.*

*\* If you are unable to take either midterm exam at the scheduled time because of intercollegiate competition, illness, or an emergency, and if you notify me of your situation in advance (unless it is an extreme emergency), I will excuse you from the exam and, in its place, allow you to take a cumulative make-up exam at a time to be arranged at the end of the semester.*

**SCHEDULE AND ASSIGNMENTS**

**Jan 17**  Introduction

       Read Pindyck & Rubinfeld, Microeconomics, 1.1 - 1.4, 2.1, 2.2

**I. DEMAND**

**Jan 22**  Consumer Choice I

       Read Pindyck & Rubinfeld, Microeconomics, 3.1, 3.2

**Jan 22-24 Organize homework groups**

**Jan 24**  Consumer Choice II

       Read Pindyck & Rubinfeld, Microeconomics, 3.3 - 3.5

**Jan 29**  Consumer Choice III

**Jan 29-31** Problem Session

**Jan 31**  Demand I

       Read Pindyck & Rubinfeld, Microeconomics, 4.1 4.2

 Turn in **Assignment No. 1**

**Feb 05** Demand II

        Read Pindyck & Rubinfeld, Microeconomics, 2.3, 2.4, 4.3 - 4.5

**Feb 05-07** Problem Session

**Feb 07**  Demand III

 Turn in **Assignment No. 2**

**Feb 12**  Choice with Uncertainty I

        Read Pindyck & Rubinfeld, Microeconomics, 5.1, 5.2

**Feb 12-14** Problem Session

**Feb 14** Choice with Uncertainty II

        Read Pindyck & Rubinfeld, Microeconomics, 5.3

 Turn in **Assignment No. 3**

**II. SUPPLY**

**Feb 19**  Firms and Production

        Read Pindyck & Rubinfeld, Microeconomics, 6.1 - 6.4

**Feb 19-21** Problem Session

**Feb 21**  Costs

        Read Pindyck & Rubinfeld, Microeconomics, 7.1 - 7.4

**Feb 26**  **Exam No. 1** (covers all material to date)

**III. PERFECT COMPETITION**

**Feb 28** Competition I

        Read Pindyck & Rubinfeld, Microeconomics, 8.1 - 8.5

**Mar 12 Review Exam No. 1**

**Mar 14**  Competition II

        Read Pindyck & Rubinfeld, Microeconomics, 8.6 - 8.8

**Mar 19**  Competition III

        Read Pindyck & Rubinfeld, Microeconomics, 9.1 - 9.5

**Mar 19-21** Problem Session

**Mar 21**  Competition IV

        Read Pindyck & Rubinfeld, Microeconomics, 9.6

 Turn in **Assignment No. 4**

**IV. IMPERFECT COMPETITION**

**Mar 26** Monopoly

        Read Pindyck & Rubinfeld, Microeconomics, 10.1 - 10.4

**Mar 26-28** Problem Session

**Mar 28** Pricing with Market Power I

        Read Pindyck & Rubinfeld, Microeconomics, 11.1 - 11.2

 Turn in **Assignment No. 5**

**Apr 02**  Pricing with Market Power II

        Read Pindyck & Rubinfeld, Microeconomics, 11.3 - 11.4

**Apr 02-04** Problem Session

**Apr 04**  Monopsony andMonopolistic Competition

        Read Pindyck & Rubinfeld, Microeconomics, 10.5 - 10.6 and 12.1

        Turn in **Assignment No. 6**

**Apr 09** Exam No. 2  (covers all material since first exam)

**Apr 11** Game Theory

        Read Pindyck & Rubinfeld, Microeconomics, 13.1 - 13.3

**Apr 16** Oligopoly I

        Read Pindyck & Rubinfeld, Microeconomics, 12.2

**Apr 16-18** **Review Exam No. 2**

**Apr 18** Oligopoly II

        Read Pindyck & Rubinfeld, Microeconomics, 12.3, 12.4

**IV. MARKET FAILURE**

**Apr 23** **Asymmetric Information**

        Read Pindyck & Rubinfeld, Microeconomics, 17.1 – 17.4

**Apr 23-25** Problem Session

**Apr 25** Externalities

        Read Pindyck & Rubinfeld, Microeconomics, 18.1 - 18.4

 Turn in **Assignment No. 7**

**Apr 30** Public Goods and Common Property

        Read Pindyck & Rubinfeld, Microeconomics, 18.5 - 18.6

 May **??** Final Exam (covers all course material)