**ECON 3010**

**INTERMEDIATE MICROECONOMICS**

**Fall 2016**

**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 electronic version of Microeconomics, 8th 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 and Tuesdays 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.

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*](mailto: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**

**Aug 24**  Introduction

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

**I. DEMAND**

**Aug 29**  Consumer Choice I

       Read Pindyck & Rubinfeld, Microeconomics, 3.1, 3.2

**Aug 29/30 Organize homework groups**

**Aug 31**  Consumer Choice II

       Read Pindyck & Rubinfeld, Microeconomics, 3.3 - 3.5

**Sep 5**  Consumer Choice III

**Sep 5/6** Problem Session

**Sep 7**  Demand I

       Read Pindyck & Rubinfeld, Microeconomics, 4.1 4.2

Turn in **Assignment No. 1**

**Sep 12** Demand II

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

**Sep 12/13** Problem Session

**Sep 14**  Demand III

Turn in **Assignment No. 2**

**Sep 19**  Choice with Uncertainty I

        Read Pindyck & Rubinfeld, Microeconomics, 5.1, 5.2

**Sep 19/20** Problem Session

**Sep 21** Choice with Uncertainty II

        Read Pindyck & Rubinfeld, Microeconomics, 5.3, 5.6

Turn in **Assignment No. 3**

**II. SUPPLY**

**Sep 26**  Firms and Production

        Read Pindyck & Rubinfeld, Microeconomics, 6.1 - 6.4

**Sep 26/27** Problem Session

**Sep 28**  Costs

        Read Pindyck & Rubinfeld, Microeconomics, 7.1 - 7.4

**Oct 5**  **Midterm Exam No. 1** (covers all material to date)

**III. MARKETS**

**Oct 10** Competition I

        Read Pindyck & Rubinfeld, Microeconomics, 8.1 - 8.5

**Oct 10/11** Problem Session

**Oct 12**  Competition II

        Read Pindyck & Rubinfeld, Microeconomics, 8.6 - 8.8

**Oct 17**  Competition III

        Read Pindyck & Rubinfeld, Microeconomics, 9.1 - 9.5

**Oct 17/18** Problem Session

**Oct 19**  Competition IV

        Read Pindyck & Rubinfeld, Microeconomics, 9.6

Turn in **Assignment No. 4**

**Oct 24** Monopoly

        Read Pindyck & Rubinfeld, Microeconomics, 10.1 - 10.4

**Oct 24/25** Problem Session

**Oct 26** Pricing with Market Power I

        Read Pindyck & Rubinfeld, Microeconomics, 11.1 - 11.2

Turn in **Assignment No. 5**

**Oct 31**  Pricing with Market Power II

        Read Pindyck & Rubinfeld, Microeconomics, 11.3 - 11.4

**Oct 31/Nov 1** Problem Session

**Nov 2**  Monopsony andMonopolistic Competition

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

        Turn in **Assignment No. 6**

**Nov 7** Game Theory

        Read Pindyck & Rubinfeld, Microeconomics, 13.1 - 13.3

**Nov 7/8** Problem Session

**Nov 9** Oligopoly I

        Read Pindyck & Rubinfeld, Microeconomics, 12.2

Turn in **Assignment No. 7**

**Nov 14** Oligopoly II

        Read Pindyck & Rubinfeld, Microeconomics, 12.3, 12.4

**Nov 14/15** Problem Session

**Nov 16**  **Midterm Exam No. 2**  (covers all material since first exam)

**Nov 21** **Asymmetric Information**

        Read Pindyck & Rubinfeld, Microeconomics, 17.1 – 17.4

**Nov 21/22** Problem Session

**IV. MARKET FAILURE**

**Nov 28** Externalities

        Read Pindyck & Rubinfeld, Microeconomics, 18.1 - 18.4

**Nov 28/29** Problem Session

**Nov 30** Public Goods and Common Property

        Read Pindyck & Rubinfeld, Microeconomics, 18.5 - 18.6

Turn in **Assignment No.8**

**Dec 5**  Review

**Dec 16**  **Final Exam** (covers all course material)