ECON 3010: INTERMEDIATE MICROECONOMICS Fall 2016

Lectures

Class	Section	Day & Time	Room	Instructor
14698	301 - LEC	TR 12:30-1:45	Monroe 130	Westerfield

Discussion Sections

Class	Section	Day & Time	Room	Instructor
14699	302 - DIS	W 6-6:50	Wilson 214	Lin
14700	303 - DIS	W 7-7:50	Wilson 214	Lin
14701	304 - DIS	W 8-8:50	Wilson 214	Lin

Instructor:
Maria Westerfield, Monroe 219.
Office Hours: TR 1:50-2:30
Extra Office Hours & Review Sessions TBA before tests
Phone: (434) 924-7696 office (do not leave message)
(434) 924-3177 Economics Department, Monroe Hall
E-mail: mam2p@virginia.edu (office)
maria.westerfield@yahoo.com (home)

Teaching Assistants:
Dajun Lin
dl5me@virginia.edu

Course Description: Microeconomics is the study of how individual consumers and producers make decisions with regard to scarce resources. Also called "price theory," microeconomics examines how these decisions of all consumers and producers together determine prices in the marketplace, and how prices in turn influence decisions and actions of individual buyers and sellers. We will first examine the case of perfect competition, starting with the basic supply-and-demand model, and moving on to consumer and producer theory under perfect competition. Next, we will move to market failures, covering imperfect competition, externalities, public goods, and imperfect information. Intermediate Micro is one of the most important, and most theoretical, of the undergraduate econ classes, and is the foundation for 4000-level classes.

Required Textbooks: Perloff, Microeconomics 7th edition (Pearson)
MyEconLab (can be purchased with textbook or separately)
Notes Outline, available on Collab under "Resources"
Additional readings on Collab under "Resources" or website link given in Notes Outline

Notes Outline: An outline of the notes will be available on Collab under the "Resources" tab. Please print them out and bring them to class and take your notes on these. It would be helpful to put them in a binder. You will find that taking notes using the outlines will organize your notes and facilitate and expedite the note-taking process. *It will be difficult to keep up with the notes without the outline.* These will be posted periodically during the course of the semester. Please check before coming to class to make sure you have the most recent postings. **Laptops will *not* be allowed in class.**

MyEconLab (MEL): With your textbook purchase, you will receive a code to use to log in to MEL. You should set this up at the start of the course. Enrollment information: **Course Name:** Econ 3010 Intermediate Microeconomics Fall 2016 **Course ID:** westerfield39695. If you are still deciding whether to take the course, or are waiting on a distribution to purchase the books, you can sample MEL for a short period of time (sufficient to do the sample homework), but will thereafter have to set it up permanently. If you purchase a used text without MEL, you can purchase access separately. Please use your first and last name to register (no nicknames, as it is harder to record your grade), and enroll in MEL before the first assignment. There will be a sample MEL (not counted towards your grade) due on **Sunday, September 4** to accustom you to using MyEconLab. The 5 graded homework (MEL) assignments will all be found on www.myeconlab. MyEconLab can also be used as a study tool for further questions and explanations.

Lectures & Attendance There will be two lectures a week of one hour and fifteen minutes each; these will not parrot the reading. You are strongly encouraged to attend and participate every day in class. You will receive a point for attendance each day for the Question of the Day (see below), which will allow you to accrue some extra credit. You will also be graded on participation during your On-Call days (see below). Experience has shown that there is a strong correlation between attendance and performance. **Please be on time, and please stay the duration of the class.** Late entry into and early exit from the classroom are very disruptive. Please **turn off** cell phones when in class. **No texting in class, please.** Anyone texting will have their On-Call grade lowered.
http://records.ureg.virginia.edu/content.php?catoid=27&navoid=703#atte_in_clas
Students missing a substantial number of classes unexcused may receive a grade of W up to the withdrawal deadline; thereafter an F.

Discussion Section Discussion sections will meet on Wednesday evenings. You should be registered for a discussion section, and are expected to attend. The discussion section will be used to go over homework, tests, and any other questions a student may have on the material. Additionally, during seven discussion sections (8/31, 9/7, 9/21, 10/19, 10/26, 11/9, and 11/30), students will work in class on problem sets. For more information, see "Problem Sets" below.

Grades (posted on Collab)
Final grade = 40% Tests + 7.5% MEL + 5% Questions of the Day + 5% On-Call + 7.5 % Problem Sets + 35% Final = 100%
Grade distribution: A: 90-100; B: 80-89.9; C: 70-79.9; D: 60-69.9; F: below 60. +/- grades will be distributed within these brackets in 3.3 point increments (86.7-89.9 = B+; 90-93.3 = A-; 93.4-96.6 = A-; 96.7-100=A+). There is no rounding for the final grade. **Final grades will only be changed if there has been an error in the calculation. Course work cannot be regraded to get extra points once final grades have been submitted.**

Tests: There will be two tests, with each test is 20% of the final grade. The dates for the tests are: **Thursday, September 29,** and **Thursday, November 3**. The **final exam** is scheduled for **Thursday, December 15, 2-5 pm** in Monroe 130 (our lecture room), and will count 35% towards the final grade. **I am not allowed to give the final exam early, so please plan your travel schedule for after the final exam time.** Tests will be comprised of a mix of multiple choice, true/false/explain, matching, short answer, long answer, and math problems. Students need to bring a calculator for the test. Formulas should not be saved onto the calculator. Notes and books will not be permitted. **Tests will be pledged**. http://records.ureg.virginia.edu/content.php?catoid=27&navoid=703#fina_exam

Homework/MyEconLab: There will be 6 graded homework assignments on **MyEconLab**. Students may use books, notes, and calculators. The average of homework assignments will count 7.5% toward the final grade. **Homework will be posted on MyEconLab, approximately the week before it is due.** A sample homework (due Sunday 9/4) will be posted to accustom you to the program and give insight into the work before the add/drop date. MELs will normally be due on Sunday or Tuesday by 9 p.m. (as noted). Due dates are: **Sample MEL (not counted in grade), Sunday, 9/4; 1) Tuesday, September 13; 2) Sunday, September 25; 3) Tuesday, October 11; 4) Sunday, October 30; 5) Tuesday, November 15; and 6) Tuesday, December 6.**

Problem Sets: There will be 6 graded problem sets. Problem Sets will be posted on Collab approximately 1 week before their due date. You should work on these ahead of time, and everyone should bring a copy of the problem set and their work to the discussion section. During the discussion section, you will work in groups and work with each other to arrive at the solution. The TA will be available for help. Each group will turn in **one** problem set to be graded. ***Make sure everyone in the group's name is on the problem set turned in.*** The TA will make copies to hand back to each student. The average of the problems sets will count 7.5% toward your final grade. The dates for the problems set are: **Wed, August 31 (Sample - not counted in grade); 1) Wed, September 7; 2) Wed, September 21; 3) Wed, October 19; 4) Wed, October 26; 5) Wed, November 9; and 6) Wed, November 30.**

Question of the Day: At the beginning or end of each class, you will answer a question pertaining to the previous class material or the current class material. Questions will then be immediately graded, and you will also receive one point for a correct answer and one point for attendance. The denominator for calculating this grade will be less than the sum total of possible points to be earned, so that it is possible to earn extra credit. QOD will count 5% towards your final grade. **QOD will be pledged.**

On-Call: After the first week of classes, you will be assigned in alphabetic order to 4 "on-call" days throughout the semester. The On-Call schedule will be posted on Collab. You should be prepared to answer questions in class on the material for that week. Preparing the notes outline ahead of time is your best way of preparing for on-call. You will be graded on your participation and preparedness for those days. On-Call will count 5% towards your final grade. Other students who are not "on call" for a given day are also welcome to engage in classroom discussions and ask questions. If you find you have other major commitments scheduled (ie, a big test or interview) for your on-call day, please contact me as soon as possible to reschedule. You will not be allowed to reschedule after the on-call date has passed, unless you have an excused absence.

Make-up Test/Homework/Assignment: If you have prior information about missing a class, homework, or test (such as for athletics, religious holidays, field trips, interviews), please contact me as soon as possible about an alternate date to take the test or turn in a homework, or to complete a make-up test, homework, or assignment. For any excused absence, students must satisfy all three of the following conditions in order to be able to turn in a rescheduled homework or test, or take a make-up test and/or homework without penalty: 1) **excused absence:** a student must have a valid excuse (see http://college.artsandsciences.virginia.edu/absence_regulations for a list of approved excuses; 2) **proof:** a student must provide proof of the valid excuse (obituary, athletic schedule, confirmation of visit to health care provider/doctor's note for illness or *pledged* note regarding your illness) within one week of the last date of absence; and 3) **notification:** To be excused the student must notify me in writing (acknowledged e-mail message is acceptable) prior to the date of absence if such notification is feasible. In cases where advance notification is not feasible (e.g. accident, or emergency), please provide notification as soon as feasible. If a student satisfies the three conditions, he/she will be allowed to reschedule or take the make-up test/homework/assignment to count for the missed grade. If a student does not satisfy one or more of the conditions, the student will not be allowed to reschedule or take the makeup and will receive a grade of zero for the missed test/homework/assignment. Students should contact me about an appropriate time to take the make-up test/homework/assignment.

Collab: Notes outlines, any additional readings, grades and announcements will be posted on Collab.

How to Calculate Your Grade: Express your grades as a decimal (78% = .78).
(MEL1____ x 1.25 pts.) + (MEL2 ___x 1.25 pts.) + (MEL3 ___x 1.25 pts.) + (MEL4 ___x 1.25 pts.) +(MEL5 ___x1.25 pts.) + (MEL6___x1.25 pts) + (PS1 ___ x 1.25 pt) + (PS2 ___ x 1.25 pts) + (PS3 ___ x 1.25 pts) + (PS4 ___ x 1.25 pts) + (PS5___ x 1.25 pts) + (PS6__ x 1.25 pts) + (Test 1_____x 20 pts.) + (Test 2_____x 20 pts.) + (QOD average____ x 5 pts) + (On-Call_____) + (FINAL_____x 35 pts.) = _____/(Total possible pts earned so far_____) x 100=GRADE

Extra Credit: There will be **no** extra credit assignment.
Final Grade: Your final grade will be comprised of your average of your 5 MyEconLab assignments, 5 problem sets, 2 tests, QOD quiz average, on-call grade, and final. Your letter grade is assigned depending on how it falls within the distribution outlined above. Once your final grade has been calculated, I cannot regrade work to find extra points, and I cannot and do not change grades unless there is an error in the calculation or the reporting of a grade. I do not offer extra credit to one student that is not offered to the entire class as a whole during the course of the semester. http://records.ureg.virginia.edu/content.php?catoid=27&navoid=703#grad_syst
Grading questions/corrections: Any questions regarding grading corrections must be done within 2 weeks of the date of the return of the assignment/test.

Extensions/Incompletes: Unless authorized by the dean's office, students must complete all course work before taking the final examination. **Instructors are not authorized to extend the time for completion of course work without the dean's approval.**
http://artsandsciences.virginia.edu/college/grade/grade_system.html#a4

Extra Help: I encourage you to see me as early as possible if you feel you are falling behind. Tutors are also available through the Economics Department. **http://artsandsciences.virginia.edu/economics/undergrad/tutoring/index.html**

Review Sessions/Extra Office Hours: I will schedule a review session the Tuesday or Wednesday evening before a test. Time and place will be announced. I will hold extra office hours before tests, TBA.

*The **Americans with Disabilities Act (ADA)** is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. For more specific information about services and policies, including guidelines and forms for documentation, see the LNEC website at www.virginia.edu/studenthealth/lnec.html. The LNEC can be reached by telephone at: 434-243-5180 (voice); 434-465-6579 (video phone); and 434-243-5188 (fax).* ***http://records.ureg.virginia.edu/content.php?catoid=27&navoid=703#acco_for_stud***

Honor Code: Students may work together on problem sets, which do not need to be pledged. Students may refer to books and notes for the homework, which is also not pledged. Tests and the Question of the Day should be each student's individual effort, and will be pledged. For additional information, please visit:
http://records.ureg.virginia.edu/content.php?catoid=27&navoid=700 .
For more information on plagiarism, please visit:
http://www.virginia.edu/honor/documents/PlagiarismSupplementFINAL.pdf
Pledge: On all tests/quiz questions, the student shall sign the following: "On my honor as a student at UVA, I have neither given nor received aid on this exam."

Tips for success: Economics is considered quite a difficult course because it involves abstract thinking. You will need to spend considerable time preparing for class, reviewing your notes, and practicing problems.

How do you know when you know the material?
1) **The standard of "knowing" is the ability to explain to others, not to just understand.**
2) Deep knowledge means understanding the facts and conclusions (the forest and the trees) and how they are interrelated.
3) Strive for flexible knowledge over rote memorization.
4) Don't just be *familiar* with the subjects and vocabulary; develop an ability to precisely recall the material.

How to study:
1) Don't cram. Study over time by keeping up with the reading and exercises.
2) Read or skim chapters before coming to class, then reread after class.
3) Read actively, by taking notes and making an outline, and questioning yourself as you read. Note what you don't understand.
4) Stay focused and take good notes in class, and try to follow the logic of the explanations.
5) Review your notes after class, and before the next class.
6) Memorize vocabulary, but make sure you understand and can apply it.
7) Be able to replicate graphs (shapes, labeling) and understand them, and apply them when a variable changes.
8) Work through lots of problems such as chapter problems and homework, and ALWAYS draw a picture/graph when you can!
9) Find a study partner or study group and explain concepts to each other.
10) Ask me questions, both in class and at office hours, or via email. **There is no such thing as a dumb question.**

What you can expect in class:
You will have an opportunity to engage in discussion and classroom examples, but will also be taking notes and learning models. Students who are "on call" should be prepared to answer questions on vocabulary, on the reading for that day (both the textbook, and any additional material), on any questions given in the notes outline, and have a preliminary understanding of graphs from the textbook. Other students who are not "on call" are also welcome to engage in classroom discussions and ask questions. You will take notes on the notes outline from Power Point slides, my explanations, and from student answers.

Approximate Schedule

Below is an *approximate* schedule for topics this semester. Material will likely overlap some days. Look to the notes outlines for actual material covered in class, and refer to where we ended last class. *The material will deviate somewhat from this schedule:* I will post on Collab what to prepare for in each class, and you are welcome to email me.

Dates in Bold are Due Dates for Assignments or Test Dates (Red for MEL, Green for Problem Sets, Black for Papers & Tests, Blue for Add/Drop/Withdraw Deadlines)

Part I: Intro, Supply & Demand, Elasticities, Consumer Choice

Date	Lecture	Topic	Readings
Tues 8/23	1	Go Over Syllabus Introduction, Supply, Demand & Market Equilibrium	Ch. 1.1-1.3 On Your Own 2.1-2.2
Wed 8/24	DIS 1	Math Review	Math Review
Thurs 8/25	2	Shifts in Supply & Demand, Elasticities	Ch 2.3, 2.4, 3.1
Tues 8/30	3	Elasticities & Preferences	Ch. 3.1-3.3
Wed 8/31	**DIS 2**	**Sample Problem Set (Ch 1-3)**	**Sample Problem Set (Ch 1-3)**
Thurs 9/1	4	Preferences, Utility & Budget Constraints	Ch. 4.1, 4.2-4.3 http://harvardmagazine.com/2015/05/the-science-of-scarcity
Sun 9/4		**Sample MEL Homework Due 9 pm (Ch 1-3)**	
Tues 9/6	**5**	**Last Day to Add** Constrained Consumer Choice	Ch. 4.3, 4.4a
Wed 9/7	**DIS 3**	**Last Day to Drop** **Problem Set 1 (Ch 3 & 4)**	**Problem Set 1 (Ch 3 & 4)**
Thurs 9/8	6	Constrained Consumer Choice Food Stamps Behavioral Econ Deriving Demand	Ch. 4.4b & c, 4.5 5.1, *Calculus of Utility Maximization (on Collab)
Tues 9/13	**7**	**MEL 1 Due by 9 pm (Ch 4)** Changes in Income	Ch 5.2
Wed 9/14	DIS 4	Go over PS 1 and MEL 1	Go over PS 1 and MEL 1
Thurs 9/15	8	Effects of a Price Change Income & Substitution Effects Labor Supply Curve	Ch. 5.3, Ch 5.5 (Skip ch 5.4)
Tues 9/20	9	Income & Substitution Effects Labor Supply Curve	Ch 5.5
Wed 9/21	**DIS 5**	**Problem Set 2 (Ch 4 & 5)**	**Problem Set 2 (Ch 4 & 5)**
		End of Material for Test 1	

Part II: Uncertainty, The Firm & Production, Costs, Perfect Competition

Date	Lecture	Topic	Readings
Thurs 9/22	10	Assessing Risk, Attitudes towards Risk Reducing Risk, Behavioral Econ with Uncertainty	Ch 17.1, 17.2 Ch 17.3, 17.5 (On Your Own)
Sun 9/25		**MEL2 Due by 9 pm (Ch 5)**	
Tues 9/27	11	Production Functions, Short-Run & Short-Run Costs Review Session Tuesday evening TBA	Ch. 6.1 – 6.3 (OYO), Ch 7.1-7.2 (OYO) **Ch 6 & 7 Demo**
Wed 9/28	DIS 6	Go over PS2 & MEL2/Review	Go over PS2 & MEL2/Review
Thurs 9/29		**Test 1**	**Test 1: Ch 1-5** **(only sections covered as listed above in Part I)**
Tues 10/4		Fall Break ☺	Fall Break ☺
Wed 10/5		No Discussion Section	**No Discussion Section**
Thurs 10/6	12	Long-run Production	Ch 6.4 6.5 *Calculus of Cost Minimization (on Collab)
Tues 10/11	**13**	**MEL 3 Due by 9 PM (ch 17, 6-7 SR)** Returns to Scale, Nature of Costs	Ch 6.5
Wed 10/12	DIS 7	Go Over Test 1	
Thurs 10/13	14	Long-run Costs	7.3
Tues 10/18	**15**	**Last Day to Withdraw** Long-run Costs	7.3
Wed 10/19	**Dis 8**	**Problem Set 3 (ch 17, 6-7 Uncertainty, Short Run Production & Costs)**	**Problem Set 3 ch 17, 6-7**
Thurs 10/20	16	Lower Costs in the Long Run Perfect Competition	Ch. 7.4 Ch 8.1-8.2a (OYO) Ch 8.2b
Tues 10/25	17	Profit Maximization Competition in the Short Run & Long Run	Ch 8.3-8.4
Wed 10/26	**Dis 9**	**Problem Set 4 (Ch 6-8 LR & PC)**	**Problem Set 4 (Ch 6-8 LR & PC)**
Thurs 10/27	18	Competition in the Long Run **^^ End of Test 2 Material^^** (see next page for rest of Lect 18 material)	Ch. 8.4

Part III: Welfare, General Equilibrium & Market Failures

Date	Lecture	Topic	Readings
Thurs 10/27	18	Zero Profit in the Long Run Consumer Welfare	Ch. 9.1 Ch 9.2
Sun 10/30		**MEL4 Due by 9 PM (Ch 6-7 LR, Ch 8)**	
Tues 11/1	19	Producer Welfare Competition, Deadweight Loss **Review Session Tuesday Evening TBA**	Ch 9.3 Ch 9.4-9.6
Wed 11/2	Dis 10	Review/Go Over PS 3 & 4, MEL 3&4	Review/Go Over PS 2 & 3, MEL 2&3
Thurs 11/3		**TEST 2**	**Test 2: Ch. 17, 6-8 (only sections covered as listed above in Part II)**
Tues 11/8	20	General Equilibrium Exchange	Ch 10.1 Ch 10.2-10.3
Wed 11/9	**DIS 11**	**Problem Set 5 (Ch 9-10)**	**Problem Set 5 (Ch 9-10)**
Thurs 11/10	21	Exchange, Production & Trade	Ch 10.3-10.4
Tues 11/15	**22**	**MEL 5 Due by 9 pm (ch. 9 - 10)** Production & Trade Efficiency v Equity Monopoly: Profit Maximization	**MEL 4 Due by 9 pm (ch. 9 - 10)** Ch 10.4 Ch 10.5 Ch 11.1
Wed 11/16	DIS 12	**Go over Test 2**	**Go over Test 2**
Thurs 11/17	23	Monopoloy: Market Power, Market failure due to Pricing Monopoly: Causes, Government Action Conditions for Price Discrimination	Ch 11.2– 11.3 Ch 11.4 (OYO) Ch 11.5, (Skip 11.6) Ch 12.1 (OYO)
Tues 11/22	24	Price Discrimination Advertising Oligopoly: Cartels	Ch 12.2-12.4 (12.5 & 12.6 only definitions) Ch 12.7 Ch 13.1 (OYO), 13.2
Wed 11/23		No Discussion – Safe Travels!	No Discussion – Safe Travels!
Thurs 11/24		Thanksgiving ☺	Eat a lot! ☺
Tues 11/29	25	Oligopoly: Cournot, Stackelberg, Bertrand Monopolistic Competition	Ch 13.3 – 13.5 (Brief overview) Ch 13.6
Wed 11/30	**DIS 13**	**Problem Set 6 (ch 11-13)**	**Problem Set 6 (ch 11-13)**
Thurs 12/1	26	Monopolistic Competition Game Theory Externalities	Ch 13.6 Ch 14.1 Ch 18.1 – 18.3
Tues 12/6	**27**	**MEL 6 due by 9 pm (ch 11-14, 18)** Externalities Public Goods Adverse Selection	**MEL 5 due by 9 pm (ch 11-14, 18)** Ch 18.3, 18.6 Ch 19.1
		Review Session TBA	
Thurs 12/15		**FINAL EXAM in our regular classroom (MON 130)**	**2-5 PM Comprehensive Final Exam**