

Economics 510
Advanced Microeconomic Theory
Spring 2016

Instructor:	Michelle Sheran-Andrews
Email:	sheran@unc.edu
Class Meeting:	TuTh 9:30pm – 10:45pm
Classroom:	Gardner 209
Office Hours:	Mondays 10:30am - 12pm, Wednesdays 2:30 - 4pm, or by appointment
Office:	200D Gardner Hall
Prerequisite:	ECON410

Course Description

This course is a continuation of ECON410. While ECON410 dealt with basic price theory and market “successes”, this course will mainly cover market failures. In particular, we will first explore the notion of efficiency and equity in both a partial and general equilibrium framework. We will then add market power, externalities, public goods, asymmetric information and a departure from perfect rationality to earlier models to analyze the effects on economic efficiency.

Textbook

The recommended textbook is *Microeconomics* by David Besanko and Ronald Braeutigam. **You do NOT have to purchase the most recent version of this textbook.**

Clickers

Each student must bring a TurningTechnologies Clicker to each class (**starting on Thursday, January 21st**), except on exam days. Any of the following TurningTechnologies clicker models can be used in this course.

- ResponseCard RF - Bare bones model
- ResponseCard RF LCD (**recommended**) - Similar to the RF, but includes an LCD screen to verify your input
- ResponseCard XR - Upgraded model that allows numeric entry (which we will not be using)
- ResponseCard NXT - High-end model with all the bells and whistles

You will earn a daily clicker score based on attendance as well as performance on in-class questions. Using a clicker other than your own is a violation of the Honor Code; having another individual use your clicker is a violation of the Honor Code. **There are no opportunities to make up missed clicker points, and there will be no exceptions to this policy.** In order to allow for illness, technical problems, and other unforeseen circumstances, I will drop 4 days' worth of clicker scores. Your clicker score will then be the average of all remaining daily scores.

You must register your clicker with TurningTechnologies **prior to January 21st**. Registration instructions are posted on Sakai in the *Administration* folder under the *Resources* link.

Course Outline

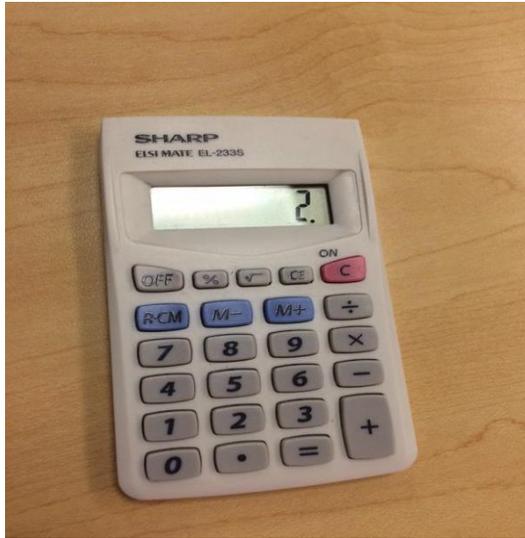
1. General Equilibrium, Economic Efficiency and Equity
2. Monopoly and Pricing Policies
3. Oligopoly and Game Theory
4. Asymmetric Information
5. Externalities and Public Goods
6. Departures from Perfect Rationality

Personal Electronic Devices

Unless you have a documented visual, auditory, or learning disability requiring the use of a personal electronic device (and provide me with the supporting paperwork), all laptop, tablet, smart phone or cell phone usage is prohibited during class.

Calculators

Only very basic, non-programmable calculators are permitted during exams. If your calculator does not look like the two examples pictured below, it must be approved by me at least 7 days before an exam. No exceptions will be permitted.



Email Correspondence

From Monday-Thursday, you should expect a response to your email within 24 hours. From Friday-Sunday and on holidays you should expect a response within 48 hours. Please note that you might be redirected to office hours if the question is particularly complex.

Grades

Clickers	10%
Research Paper	20%
Homework	20%
Midterm Exam (Tuesday, March 1)	20%
Final Exam (Tuesday, May 3 at 8am)	30%

The actual letter grade you earn in this course will be based on a grading scale to be determined *after* the final exam. This scale may or may not resemble the 10-point scale that many of you are used to (*e.g.*, 90-100% is some sort of A, 80-89% is some sort of B, etc...) because I reserve the right to curve. (I will not curve down.) I will provide feedback over the semester on how to interpret your raw homework and exam scores so that you know how you are progressing in the course.

Research Paper

The research paper assignment is to critically analyze a particular example of a market failure in a 10-12 page paper. The assignment is in 4 parts, each nesting the preceding one. Each part of the assignment (described in the *ECON510 Research Paper* document posted on Sakai in the *Assignments* folder) must be turned in at the beginning of class on the due date. Those turned in later by the end of the day will receive a 10 point penalty, and those turned in the following day will receive a 20 point penalty. No assignments will be accepted after that.

Homework

There will be approximately 6 graded homework assignments throughout the semester. I will drop your lowest homework score and calculate your homework average based on all remaining homework scores. Homework assignments will be collected at the start of class. Homework not turned in within the first 10 minutes of class will be considered late, and late homework submissions will not be accepted. If you anticipate missing class on the day a homework is due, you may have a classmate turn in your assignment or deliver it to me in person before the due date. At noon on the day an assignment is due, an answer key will be posted on Sakai. Please review the answer key and ask any questions about this homework at the start of our next class.

Midterm/Final Exam Policies

If you miss a midterm and present me with a valid and documented excuse *in advance*, your final exam will comprise 60% of your grade. Valid reasons include a documented medical illness that prevents you from taking the exam, a death in your immediate family, or a documented mandatory court date. If you miss a midterm without a valid and documented excuse in advance you will receive a 0 for that exam.

Per UNC rules, you can only take the Final Exam at an alternative time if you present me with a pink slip from an advisor verifying that you have at least 3 exams in a 24 hour period. You must present me with a pink slip **before the last day of classes**. If you miss the Final Exam and do not have an excuse from the Dean, you will receive a score of 0 on your Final.