

**Economics 510**  
**Advanced Microeconomic Theory**  
**Fall 2015**

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<b>Instructor:</b>	Michelle Sheran-Andrews
<b>Email:</b>	sheran@unc.edu
<b>Class Meeting:</b>	TuTh 9:30pm – 10:45pm
<b>Classroom:</b>	Gardner 307
<b>Office Hours:</b>	Mondays 2:30 - 4:00pm, Wednesdays 10:30am - 12:00pm, or by appointment
<b>Office:</b>	200D Gardner Hall
<b>Prerequisite:</b>	ECON410

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### **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 add market power, uncertainty, asymmetric information, externalities and public goods to the earlier models and analyze whether or not the basic properties of competitive markets continue to hold.

### **Textbook**

The recommended textbook is *Microeconomics: Theory & Applications with Calculus*, by Jeffrey M. Perloff. You do not have to purchase the most recent version of this textbook. We will not be using MyEconLab.

### **Course Outline**

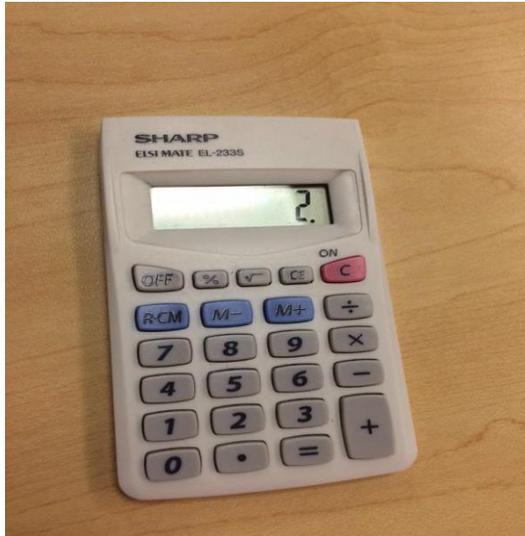
1. Properties and Applications of the Competitive Model (Chapter 9)
2. General Equilibrium and Economic Welfare (Chapter 10)
3. Monopoly and Monopsony (Chapter 11)
4. Pricing and Advertising (Chapter 12)
5. Game Theory (Chapter 13)
6. Oligopoly and Monopolistic Competition (Chapter 14)
7. Uncertainty (Chapter 16)
8. Property Rights, Externalities, Rivalry, and Exclusion (Chapter 17)
9. Asymmetric Information (Chapter 18)
10. Contract and Moral Hazard (Chapter 19)

## 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.

## Class Conduct

1. I expect *regular* attendance. You are allowed to miss at most 3 classes during the semester. After 3 missed classes, I will deduct 2 percentage points from your course grade for each class you miss.
2. Lateness will not be tolerated. It is your responsibility to arrive on time (according to the clock on the classroom wall). I reserve the right to count you as absent if you are tardy.
3. Do not talk to your neighbors during class. It distracts the students around you, and it distracts me.
4. Come to class prepared. Read the relevant material before I cover it in lecture and come to class prepared to take an active part in your learning. I strongly encourage and welcome questions.

## Grades

Research Paper	20%
Homework	20%
Midterm Exam (Tuesday, October 6)	25%
Final Exam (Tuesday, December 8 at 8am)	35%

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 an 8-10 page paper. The assignment is in 5 parts, each nesting the preceding one. Each assignment must be turned in at the beginning of class on the date indicated. 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 graded homework assignments throughout the semester. I will collect homework assignments 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.