

Economics 410  
Summer 2013  
MTWRF 11:30 A.M. - 1:00 P.M., Gardner 309

**Instructor:** Justin Contat  
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**Office Hours:** TBD in Phillips Annex 102

**Final Exam :** Mon. June 17<sup>th</sup>, 11:30 A.M. - 2:30 P.M. in our  
classroom

**Required Textbook:**

Intermediate Microeconomics: A Modern Approach (8<sup>th</sup> edition)  
(and Workbook)  
by Hal R. Varian

**Course Summary**

This class will introduce you to the basic theoretical underpinnings of Microeconomics, including classical price theory and later game theory and information economics. The first third of the class will cover consumer theory, the middle third supply theory, and the final third game theory and advanced topics. Though the class will be theoretical in nature, we will explore real life applications/evidence of our theories as much as possible.

## Summary of Course Topics

### 1. Consumer Theory

- Mathematical Preliminaries - Calculus, Unconstrained Optimization, and Constrained Optimization
- Basic Notions of Supply and Demand (Ch 1)
- Preferences and Utilities (Ch 3 and Ch 4)
- Budget Constraint (Ch 2)
- Consumers Problem and Demand Derivation (Ch 5 and Ch 6)
- Income and Substitution Effects (Ch 8)

### 2. Producer Theory

- Production Technology (Ch 18)
- Cost Minimization (Ch 20)
- Cost Curves (Ch 21)
- Profit Maximization (Ch 19)
- Perfect Competition (Ch 22 and 23)
- Monopoly (Ch 24 and Ch 25)

### 3. Game Theory and Asymmetric Information

- Brief Introduction to Game Theory (Ch 28 and Ch 29)
- Oligopoly (Ch 27)
- Public Goods (Ch 36)
- Adverse Selection and Moral Hazard (Ch 37)

### 4. Extra Topics (Time Permitting)

- Welfare and Externalities (Ch 33 and Ch 34)
- Risk (Ch 12 and Ch 13)
- Revealed Preference (Ch 7)

**Grading** Final Grades will be determined by:

- Midterm 25%
- Final Exam 35%
- Homework 25%
- Article Reviews 15% (3x5%)

A	94-100%	C	74-76%
A-	90-93%	C-	70-73%
B+	87-89%	D+	67-69%
B	84-86%	D	60-66%
B-	80-83%	F	0-59%
C+	77-79%	—	

Table 1: Grade Cutoffs

## Course Policies

- **Attendance Policy:** This is a 400-level class. Attendance is not mandatory but expected.
- **Article Reviews:** In this class you will do three article reviews. For each article, you must turn in a 1-2 page (single-spaced) typed report, with generally a half a page to a full page for summary of the article and half a page to a full page explaining why your article relates to our class and why you thought it was interesting. You must also provide me with a printed copy of the article. I strongly recommend *The Economist* and the *Wall Street Journal*. **A blog, wikipedia, or a person's opinion are not credible sources and papers using them will receive zero credit without question.**

Article Reviews are due the last day of class. You may share an article with a fellow student, but your summaries must be different. The Honor Code is in effect. I take these summaries very seriously and grade strictly so please put some effort into them.

- Homework: Homework will be assigned frequently. This is a very intensive class, as we meet everyday for an hour and a half. It will be very hard to catch up, so the homework is meant to be an incentive to stay on top of the class. Feel free to ask either me any questions you might have when attempting the homework. Homework will be graded, although I will not tell you when I will collect it or what questions I am grading.

I understand emergencies come up, so I will allow everyone to drop 1 homework score. No note or excuse necessary. This will be done automatically to account for such events.

- Test Day Rules: You will **NOT** be allowed to leave the room during an exam unless you provide me with medical documentation. As soon as you leave the room your exam is finished. You are allowed (and encouraged) to bring any type of calculator to your exams. No notes of any kind can be used on a test.
- Missing Tests: It is the policy of UNC to have a mandatory Final Exam. You may not miss the Final Exam and pass the class. If you miss the midterm for some reason, the weight from that test will be added to your final exam, so your final will be worth  $25\%+40\% = 65\%$  of your grade. **There will be no makeup tests whatsoever for the midterm.** If you do better on your Final than your Midterm, your Final score will count for both grades. The Final will be cumulative.
- I have two classroom etiquette rules:
  1. Be considerate and respectful of your classmates
  2. Please show up prepared for class on time
- Laptops and other similar electronic devices are allowed during class for school purposes only. **Cell Phones are absolutely prohibited.**