Economics 410-001

Intermediate Microeconomic Theory

Summer Session I (2014)

Instructor: Matt Forsstrom

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Time and Place: Monday-Friday, 8:00am-9:30am, Gardner Hall 007

Office Hours: TBD. Phillips Annex 204.

Prerequisites: MATH 231 or STOR 113.

Course Summary

This course is designed to teach you how to develop, solve, and critically assess economic models. Microeconomic theory focuses on modeling the decision making process at the individual level. The methods discussed in the course are flexible and can be applied to a variety of questions related to the behavior of economic agents. The course will consist of three primary sections: (1) consumer theory, (2) producer theory, and (3) game theory. See below for a more detailed list of topics covered in the course.

Course Materials

Please obtain "Intermediate Microeconomics — The Science of Choice" by Jeremy Petranka. The textbook is available at the bookstore or at lulu.com. This book serves as a good reference for the topics that will be covered in the class. Other course materials, such as homework, will be posted on the course website or sent by email.

Grading

Item	Percentage	Dates
Participation	5%	Daily
2 Midterm Exams	50%	May 28, June 11
Final Exam	30%	June 17, 8-11 am
Homework	15%	Weekly

- Participation

  The participation grade will be determined by attendance and attentiveness in class. I encourage everyone to ask questions and provide comments during class. During some classes, I will ask you to write down and hand in a question related to the material we have covered in class. This will help me to assess if I should spend more time on certain topics and will also contribute to your participation grade.

- Homework

  Homework will be due at the beginning of class on the due date. Late homework will not be accepted. The lowest homework grade will be dropped. However, you are encouraged to solve all of the homework problems, as problem solving will be essential for performing well on exams. You are welcome to work with others in the class on the homework, but you should hand in your own copy. If you choose to work with others, I encourage you to make sure that you can solve the problems on your own as well.

- Midterm Exams

  Each midterm exam will be worth 25% of your grade. There will be no makeup midterms. If you miss an exam for any reason, the weight of the exam will be added to your final exam.

- Final exam

  As noted above, the final exam will be on Tuesday, June 17 from 8am-11am. It will be cumulative. If you are unable to attend, you must provide me with an exam excuse from the Dean's Office.

Grades will be determined as follows:[1]

A	93-100%	C	73-76%
A-	90-92%	C-	70-72%
B+	87-89%	D+	67-69%
B	83-86%	D	60-66%
B-	80-82%	F	<60%
C+	77-79%		

Honor Code and Class Policies

The UNC Honor Code is in effect for this course. If you are not familiar with the Honor Code, please visit studentconduct.unc.edu.

Laptops, cell phones, and other electronic devices are not to be used in class.

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[1]I reserve the option to move these cutoffs downward to reflect student's understanding of the course material given performance on the exams.

Course Outline

Math Review:

- Calculus
- Unconstrained and constrained optimization

Consumer Theory:

- Preferences (Ch. 3)
- Utility functions (Ch. 4)
- Budget sets and constrained optimization (Ch. 5)
- Demand (Ch. 6)
- Uncertainty and risk (Ch. 7)
- Dynamic models and intertemporal choice

Producer Theory and Market Equilibrium:

- Production sets and production functions (Ch. 8)
- Cost minimization (Ch. 9)
- Profit Maximization (Ch. 10)
- Perfect Competition (Ch. 10)
- Monopolistic Competition and Monopolies (Ch. 10)
- General equilibrium and Pareto optimality

Game Theory:

- Finite normal form and equilibrium concepts (Ch. 11)
- Extensive form (Ch. 13)