**UNIVERSITY OF NORTH CAROLINA CHAPEL HILL**

**DEPARTMENT OF ECONOMICS**

**SPRING 2021**

**ECONOMICS 410: INTERMEDIATE THEORY: PRICE AND DISTRIBUTION**

*Instructor:* Prof. Martin Zelder

*Office:*  https://unc.zoom.us/j/2485635406

*Office hours:* TBA

*e-mail:* zelder@email.unc.edu

*Lecture schedule:* TuTh 12:30 – 1:45 pm

*Lecture location:* Tu (<https://unc.zoom.us/j/98335943601>); passcode 577459

 Th (<https://unc.zoom.us/j/99633423070>); passcode 035273

*TA:* Adilkhan Tuleubayev ([adilkhan.tuleubayev@unc.edu](file:///C%3A%5CUsers%5Czelde%5CDocuments%5CUNC%20Chapel%20Hill%5CEcon%20410%20%28Fall%202020%29%5Cadilkhan.tuleubayev%40unc.edu))

*Recitation schedule:* TBA

**Required Readings:** *Microeconomics* (5th edition), David Besanko and Ronald R. Braeutigam [other editions of this text, including the 6th edition, are acceptable, although the assigned page numbers will differ]

**COURSE OUTLINE (textbook denoted as B&B)**

*Note: There is not a strict calendar specifying when certain topics will be covered, although we will cover them in the order below and I will announce what will be covered when 1 week ahead of time.*

1. ***Introduction***: B&B Chapter 1

2. ***Consumers—Budgets and Choice***

* Budgets: B&B pp. 105-112
* Indifference Curves and Tastes: B&B Chapter 3
* Tastes and Optimization: B&B pp. 112-139

3. ***Consumer Demand Curves***

* Income and Substitution Effects: B&B pp. 164-175
* Consumer Demand: B&B pp. 154-164

4. ***Firms That are Perfectly Competitive—Production, Costs, Profit Maximization***

* Single-Input Production and Costs: B&B pp. 204-214, 251-257
* Single-Input Profit Maximization and Output Supply: B&B pp. 273-281, 306-310, 331-341
* Two-Input Production and Costs: B&B pp. 214-243, 291-306, 310-322
* Two-Input Cost Minimization and Profit Maximization: B&B pp. 257-273

5. ***Output Supply Curves for Perfectly Competitive Firms, Short-Run and Long-Run***

* Supply Curves in Short-Run and Long-Run: B&B pp. 341-356, 356-369
* Firms’ Input Demand Curves in Short-Run and Long-Run: B&B pp. 269-271, 663-664, 700-701

6. ***Equilibrium and Elasticities***

* Short-Run Equilibrium: B&B pp. 26-44
* Long-Run Equilibrium: B&B pp. 356-369
* Elasticities—Responsiveness to Change: B&B pp. 44-59

7. ***Monopoly***

* Monopoly: B&B pp. 442-467

8. ***Normative Economics***

* Defining the Social Optimum: B&B pp. 175-184, 371-382
* The Cost of Deviations from the Social Optimum—Deadweight Loss: B&B pp. 392-397
* Market Failure: B&B pp. 473-477, 703-714, 726-728

9. ***Applying Economics***

* Marriage and Divorce
* Sexual Behavior

*Note: A few short readings may be added to this, and some of the listed readings and topics may not end up being covered.*

**Grading:** The course grade will be determined by ‘weekly’ (some but not all weeks) problem sets (10 percent total), one (1) midterm exam (35 percent), and a final exam (55 percent).

Makeup exams will only be given according to UNC criteria. Exams must be uploaded to Sakai. Regrading of individual exam or problem set answers will only occur in the context of regrading the entire exam or problem set. Students may work together in solving problem sets, but each student must submit his or her own problem-set answers for grading.

**Honor Code:** All students are expected to follow the guidelines of the UNC honor code. In particular, students are expected to refrain from “lying, cheating, or stealing” in the academic context. If you are unsure about which actions violate that honor code, please see me or consult [honor.unc.edu](https://studentconduct.unc.edu/%22%20%5Ct%20%22_blank).

**Other resources:** Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

**Calendar:** The midterm exam is scheduled for Tuesday March 2. The cumulative final exam will be given Tuesday May 11 noon – 3 pm. The last day of lectures is Tuesday May 4. Lecture will not be held on Tuesday Feb. 16 and Thursday March 11. There are no recitation meetings during the first 2 weeks of classes (January 18-29).

***Note:*** Some of the topics and readings listed above might not be covered due to limited time and the rate of progress of the lectures. As well, a few additional readings might be added during the course of the term. Modifications of either sort will be made at the discretion of the instructor.