

SYLLABUS

Course: ECON 510 Section 002. Advanced Microeconomic Theory. 3 Credits.

Course Description:

In this course we will study duality methods in the context of consumer/producer theory; obtain a rigorous foundation for cost-benefit analysis; augment the standard model of perfect competition to allow for asymmetric firms. Next, we shall apply those techniques to study real-life issues regarding intellectual property with a strong emphasis on patents.

Target audience: This course is aimed at anyone who completed ECON 410.

Requisites: Prerequisite, ECON 410 with a grade of C or better.

Grading status: Letter grade.

Instructor:

Sérgio O. Parreiras
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sergiop@unc.edu,

Class Schedule:

TuTh 12:30 pm - 1:45 pm
Gardner Hall, Rm 106

Office Hours (OH):

over ZOOM on Mon: 2 pm–3 pm,
Wed: 2 pm–3 pm,
by Sakai appt.

Communication:

The Sakai website is our primary main of communication. All assignments, readings, grades, podcast links, and other resources will be posted on Sakai. Please, use Sakai >Sign-up to schedule an office hours (OH) meeting. The sign-up opens seven days before and closes 24 hours before respective OH. You must sign with SSO login option at unc.zoom.us for OH meetings. Do not hesitate to send a Sakai message to schedule meetings **outside** regular OH if your schedule conflicts with the regular OH.

Prerequisites: Requisites: Prerequisite, ECON 410 with a grade of C or better.

Required textbook:

Michele and Levine, David K. [Against intellectual monopoly](#), any edition or format.

Suggested textbook:

Spulber, Daniel. [The Case of Patents](#), any edition or format.

Learning Objectives:

The course main goal is to provide tools to enable you to: construct models of micro-economic behavior; identify their (built-in) limitations and; think critically about how to apply them to real-life. We will also write a research essay/proposal/project aimed at the learning outcomes described by the [IDEAS in action \(Research\)](#) curricula.

Required software:

Mathematica, which can be ordered free of any charges at <https://software.unc.edu>.
No prior knowledge of Mathematica is required for one to succeed in this course.

Evaluation:

Course grade weights: midterms (40%), problem sets & quizzes (20%), final exam (25%), active participation (5%), research assignments (10%).

Exam dates:

Midterm 1: Feb. 16th. Midterm 2: March 30th. Final exam: May 4th at noon (notice that the time differs from class time!).

Class environment:

During this course, we may employ additional material from podcasts, video, or literature to discuss economics related issues. Sometimes, you may find the political or religious views; or the profanity contained in the additional material offensive or objectionable and, you may feel uncomfortable. I will not endorse or advocate any particular political views but as part of your university education, it is important you engage in critical thinking and also respect different opinions expressed by your classmates. Our classroom will be an inclusive environment. Your participation is critical for the success of this course. You will be expected to read the assigned readings and, be prepared to discuss them in the classroom.

POLICIES AND PROCEDURES

Syllabus Changes: I reserve the right to make changes to the syllabus including project due dates and test dates. These changes will be announced as early as possible.

Optional Mask Use Statement: UNC-Chapel Hill is committed to the well-being of our community – not just physically, but emotionally. The indoor mask requirement was lifted for most of campus on March 7, 2022. If you feel more comfortable wearing a mask, you are free to do so. There are many reasons why a person may decide to continue to wear a mask, and we respect that choice.

Communication: Please, use Sakai to send me messages instead of regular email. All assignments should be submitted on Sakai. You will receive notifications for those classes in which Mathematica is required.

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 the honor code, please see me or consult <https://catalog.unc.edu/policies-procedures/honor-code/>.

Exams and grades:

If you are eligible to take exams with Accessibility Resources and Service. Please schedule your exam using their hub, <https://ars.unc.edu/>, and please notify me as soon as possible.

Any final-exam rescheduling request, for those with more than three final exams within a 24 hours period, must be received no later than our first midterm.

Exam grades are converted into scores (“curved”) accordingly to the formula: original grade plus 100 minus the maximum between the top class grade and 50. Assignments or problem sets are not “curved”. The final course grade is computed accordingly to the following scheme:

letter grade	minimum score
A	95
A-	90
B+	87
B	83
B-	80

letter grade	minimum score
C+	77
C	73
C-	70
D+	67
D	63

Attendance Policy: Attendance will be recorded by the UNC check-in app, click [here](#), to install the app. No right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences (UAA): 1) Authorized University activities; 2) Disability/religious observance/pregnancy, as required by law and approved by Accessibility Resources and Service and/or the Equal Opportunity and Compliance Office. 3) Significant health condition and/or personal/family emergency as approved by the Office of the Dean of Students, Gender Violence Service Coordinators, and/or the Equal Opportunity and Compliance Office. Eight non-UAA without any consultation with the instructor may result in a grade F in the course. Ten total non-UAA in a semester may result in a grade F regardless of the reasons you missed class. In all instances, either UAA or non-UAA you MUST notify the instructor prior to missing class. If a student misses a class, it is the student’s responsibility to find out what was covered in the class and whether changes have been made on the schedule, and if there was any assignment given.

Counseling and Psychological Services: UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The Heels Care Network website is a place to access the many mental resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to their website <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.

Title IX 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. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/>. Please contact the University's Title IX Coordinator (Elizabeth Hall, titleixcoordinator@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 (gvscc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

Policy on Non-Discrimination: The University is committed to providing an inclusive and welcoming environment for all members of our community and to ensuring that educational and employment decisions are based on individuals' abilities and qualifications. Consistent with this principle and applicable laws, the University's Policy Statement on Non-Discrimination offers access to its educational programs and activities as well as employment terms and conditions without respect to race, color, gender, national origin, age, religion, genetic information, disability, veteran's status, sexual orientation, gender identity or gender expression. Such a policy ensures that only relevant factors are considered and that equitable and consistent standards of conduct and performance are applied. If you are experiencing harassment or discrimination, you can seek assistance and file a report through the Report and Response Coordinators (see contact info at safe.unc.edu) or the Equal Opportunity and Compliance Office, or online to the EOC at <https://eoc.unc.edu/report-an-incident/>.

Diversity Statement: I value the perspectives of individuals from all backgrounds reflecting the diversity of our students. I broadly define diversity to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this classroom an inclusive space for all students. Please let me know if there is anything I can do to improve. I appreciate suggestions.

Undergraduate Testing Center: The College of Arts and Sciences provides a secure, proctored environment in which exams can be taken. The center works with instructors to proctor exams for their undergraduate students who are not registered with ARS and who do not need testing accommodations as provided by ARS. In other words, the Center provides a proctored testing environment for students who are unable to take an exam at the normally scheduled time (with pre-arrangement by your instructor). For more information, visit <http://testingcenter.web.unc.edu/>.

Grade Appeal Process : If you feel you have been awarded an incorrect grade, please discuss it with me. If we cannot resolve the issue, you may talk to our departmental director of undergraduate studies or appeal the grade through a formal university process based on arithmetic/clerical error, arbitrariness, discrimination, harassment, or personal malice. To learn more, go to the Academic Advising Program website.

TENTATIVE COVERAGE

Abbreviations:

Problem set (PS); Quizz (QZ); To be announced (TBA)

Boldrin, M. and Levine, D.K., 2008. Against intellectual monopoly. (BL08)

Spulber, D.F., 2021. The case for patents. (S21)

	Tuesday	Thursday
Week 1: Consumer Theory.	1/10: Syllabus, Mathematica Tutorial, quiz 00	1/12: Choice with many goods
Week 2: Consumer Theory.	1/17: Individual demand functions, quiz 01	1/19: Duality: indirect utility and cost functions, PS 01 due.
Week 3: Consumer Theory.	1/24: Welfare measures.	1/26: Consumer Surplus, Envelope trick, PS 02 due.
Week 4: BL08, p.1-41.	1/31: Introductory chapter of BL08.	2/2: Creation under competition, PS 03 due.
Week 5: S21, p.40-72 and BL08, p.42-67.	2/7: The Market for Innovative Control.	2/9: Innovation under competition, PS 04 due.
Week 6: Midterm 1.	2/14: Well-being Day no classes	2/16: Midterm 1.
Week 7: S21, p.40-72 (continuation)	2/21: Financing Invention and Innovation.	2/23: Public Policy toward IP, PS 05 due.
Week 8: ECON 410 review	2/28: Production, technology, and cost functions	3/2: Equilibrium under perfect competition, PS 06 due.

	Tuesday	Thursday
Week 9: BL08	3/7: The Evil of Intellectual Monopoly.	3/9: How competition works, PS 07 due.
Week 10: Spring Break	3/14: no classes	3/16: no classes
Week 11: Recent developments	3/21: America Invents Act of 2011	3/23: SCOTUS decisions, PS 08 due.
Week 12: BL08	3/28: Defenses of Intellectual Monopoly	3/30: Midterm 2, PS 09 due.
Week 13: BL08 and research	4/4: The pharmaceutical industry	4/6: Natural experiments in economics, PS 10 due.
Week 14: Research	4/11: Chow Test	4/13: TBA
Week 15: Research	4/18: TBA	4/20: TBA
Week 16: Research	4/25: TBA	4/27: final paper due, last class.
Final Exam		5/4: Final exam held at noon, GA 106.