Economics 3411  
Microeconomic Theory  
Spring Semester, 2012  
RCOB 1315, TTh 2:00 – 3:20

Instructor:  
Dr. Adrian Austin  
044 Business Building  
Phone: (678) 839-4773  
E-mail: Use the CourseDen mail utility found on the course toolbar for all course related questions. All email will be answered within 1 business day.  
E-mail (Emergency Only): aaustin@westga.edu

Office Hours (Carrollton):  
Tuesday 11:30 – 12:30 & 15:30 – 17:00  
Thursday 11:30 – 12:30 & 15:30 – 17:00  
Friday 11:00 – 14:00

Course Website: on CourseDen

Course objective:

This course seeks to help you develop the tools necessary to analyze and investigate various economic problems. To do this we will expand the concepts that you learned in Principles of Microeconomics to develop richer, more flexible (and more complex) economic models.

The course is (necessarily) more quantitatively oriented than the introductory class (i.e. more mathematics). Graphs and pictures can provide insight, but the real power of economic analysis comes in calculating quantitative answers to economic problems.

For every economic problem, we shall look initially at the simplest case containing the fundamental issues. Second we will construct a model (using graphical and algebraic tools) that represents the fundamental issues. Then we shall solve the model to see what economic intuition we can derive from it. Finally we will expand the model to make it look more like the "real world." The goal is for the models to provide us with an intuitive explanation (and predictions) of the choices made by economic agents (consumers, producers, governments etc).

Texts (Required):

Price Theory and Applications, 8e. Steven E. Landsburg (The 7th edition will work just as well, and costs a whole lot less.)

Website: http://landsburg.swlearning.com
Texts (on reserve):


For the ambitious:

Structure:

I. Introduction and review of "Principles of Economics."
   Chapters 1 & 2

II. Consumer Theory (in which we study how consumers choose to spend their incomes)
    Chapters 3 & 4

III. Producer Theory (in which we study how firms make input and production decisions)
    Chapters 5 & 6

IV. Perfect competition and the gains from trade (in which we study the interactions of consumers and producers under certain "ideal" conditions)
    Chapters 7 & 8

V. Not-so-perfect competition (in which we study the interactions of consumers and producers without the "ideal" conditions)
    Chapters 9, 10, 11, 12, 13, & 14

VI. Further topics in consumer theory
    Chapter 17 - Allocating goods over time
    Chapter 18 - Risk and Uncertainty

Schedule:

Introduction and Math Review Chapters 1, 2, and Class Notes
Indifference curves Chapter 3, Web notes
Budget Constraints Chapter 3, Web Notes
Examining the consumer's choice Chapter 3, Web notes
Comparative Statics Chapter 3, Web notes
Demand curves and Engel curves Chapter 4, Web notes
Income and substitution effects Chapter 4, Web notes
Applications of consumer theory

Exam 1

The equimarginal principle Chapter 5
This schedule may change as the class progresses. Any changes will be announced in class and on the class website.

Exams:

There will be three midterms and a final exam. Each exam (including the final) is worth 25%. The lowest score of the three midterms will be dropped. The final exam is cumulative and will not be dropped.

There will be NO makeup exams.

Homework:

Homework/quizzes/participation will account for 25% of your grade.

There will be group assignments as well as individual assignments.

Each group must have 2 to 4 people. Groups cannot change during the semester.

Late homework assignments will not be accepted.
There is a penalty for not stapling your homework.

If you turn in all the homework assignments, the lowest score will be dropped.

There will be NO makeup homework.

Attendance:

Attendance is mandatory. You are allowed 3 absences without penalty. For each absence (after 3) your course grade will be reduced by half a grade. If you arrive to class late, you will be marked absent.

To get the most out of this class:

Pre and post read all assigned readings.

Turn in all assignments.

Spend about 5 hours a week studying the material.

Come to class and ask questions.

If you are having difficulty with the material, come to my office hours. PLEASE DON'T WAIT UNTIL YOU ARE COMPLETELY LOST.

PLEASE TURN OFF YOUR CELL PHONES DURING CLASS.

Please don’t walk in and out of class.

Please ask questions if you are confused (in class or during my office hours).