

**Economics 3411**  
**Microeconomic Theory**  
**Spring Semester, 2016**

**Dr. Adrian Austin**  
**1315 Business Building**

**Phone: (678) 839-4773**

**E-mail:** Use the CourseDen/Desire2Learn mail utility found on the course toolbar for all course related questions. All email will be answered within 1 business day.

**Office Hours:**

**Tuesday**                                **9:00A – 11:30A & 3:30P – 5:00P**  
**Thursday**                               **10:00A – 11:30A & 3:30P – 5:00P**

**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). (LO2.1, LG4, LG6)

Note. A complete list of expected Learning Goals and Objectives can be found at the Richards College of Business web site ([http://www.westga.edu/business/undergrad\\_learning\\_goals.php](http://www.westga.edu/business/undergrad_learning_goals.php)).

**Texts (Required):**

Price Theory and Applications, 9e. Steven E. Landsburg (The 8<sup>th</sup> edition will work just as well, and costs a whole lot less.)

**Alternate Texts (on reserve in my office):**

Microeconomics and Behavior. Robert H. Frank.

*For the ambitious:*

Microeconomic Theory, Basic Principles and Extensions. Walter Nicholson.

**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, Notes on CourseDen
Budget Constraints	Chapter 3, Notes on CourseDen
Examining the consumer's choice	Chapter 3, Notes on CourseDen
Comparative Statics	Chapter 3, Notes on CourseDen
Demand curves and Engel curves	Chapter 4, Notes on CourseDen
Income and substitution effects	Chapter 4, Notes on CourseDen
Applications of consumer theory	

**Exam 1**

The equimarginal principle	Chapter 5
Production and costs in the short run and long run	Chapter 6
The competitive firm and industry in the short run	Chapter 7
The competitive firm and industry in the long run	Chapter 7
Using the competitive model	Chapter 7
Social Welfare	Chapter 8
Information	Chapter 9

**Exam 2**

Monopoly power	Chapter 10
Price discrimination	Chapter 10
Between Monopoly and Competition	Chapter 11
Oligopoly and strategy	Chapter 11
Game Theory 1 (simultaneous games)	Chapter 12

Game theory 2 (sequential games)

Chapter 12

**Exam 3**

Externalities

Chapter 13

Public goods

Chapter 14

Allocating goods over time

Chapter 17&18

**Final Exam**

**Covers Everything**

*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.

You may bring a sheet of notes to all exams. The sheet of notes must be no larger than  $8\frac{1}{2} \times 11$  inches and handwritten.

**Homework:**

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

There will be group homework 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.

Quizzes will be available on CourseDen.

**Attendance:**

Attendance is not mandatory, but highly recommended. You are old enough to make your own informed decisions (and face the consequences). I will take roll for the attendance bonus calculated at the end of the semester.

<i>Attendance</i>	<i>Outcome</i>
<b>More than five absences</b>	No bonus
<b>Five absences</b>	+1 added to your course grade
<b>Four absences</b>	+2 added to your course grade
<b>Three or fewer absences</b>	+3 added to your course grade

To be counted present, you must be on time and stay for the entire class. There are no excused absences for the bonus.

**Your course score will be calculated in the following manner:**

**Grade:**

Your course score will be calculated in the following manner:

$$0.25 \times \text{Best Midterm} + 0.25 \times 2^{\text{nd}} \text{Best Midterm} + 0.25 \times \text{Final} + 0.25 \times \text{Classwork} + \text{Bonus Points} - \text{Penalties}$$

Course Score (rounded to the nearest digit)	Course Grade
90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
Less than 60	F

**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.

**Common Language for Course Syllabi**

**Updated June 21, 2013:**

Students should review the following information each semester, because these statements are updated as federal, state, university, and accreditation standards change. A current version can always be found at

[http://www.westga.edu/assetsDept/vpaa/Common\\_Language\\_for\\_Course\\_Syllabi.pdf](http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf)

**Americans with Disabilities Act**

Students with a documented disability may work with UWG Accessibility Services to receive essential services specific to their disability. All entitlements to accommodations are based on documentation and USG Board of Regents standards. If a student needs course adaptations or accommodations because of a disability or chronic illness, or if he/she needs to make special arrangements in case the building must be evacuated, the student should notify his/her instructor in writing and provide a copy of his/her Student Accommodations Report (SAR), which is available only from Accessibility Services. *Faculty cannot offer accommodations without timely receipt of the SAR; further, no retroactive accommodations will be given.*

**UWG Email Policy**

University of West Georgia students are provided a MyUWG e-mail account. The University considers this account to be an official means of communication between the University and the student. The purpose of the official use of the student e-mail account is to provide an effective means of communicating important university related information to UWG students in a timely manner. It is the student's responsibility to check his or her e-mail.

**Credit Hour Policy**

The University of West Georgia grants one semester hour of credit for work equivalent to a minimum of one hour (50 minutes) of in-class or other direct faculty instruction AND two hours of student work outside of class per week for approximately fifteen weeks. For each course, the course syllabus will document the amount of in-class (or other direct faculty instruction) and out-of-class work required to earn the credit hour(s) assigned to the course. Out-of-class work will include all forms of credit-bearing activity, including but not limited to assignments, readings, observations, and musical practice. Where available, the university grants academic credit for students who verify via competency-based testing, that they have accomplished the learning outcomes associated with a course that would normally meet the requirements outlined above (e.g. AP credit, CLEP, and departmental exams).

**University of West Georgia Honor Code**

At the University of West Georgia, we believe that academic and personal integrity are based upon honesty, trust, fairness, respect, and responsibility. Students at West Georgia assume responsibility for upholding the honor code. West Georgia students pledge to refrain from engaging in acts that do not maintain academic and personal integrity. These include, but are not limited to, plagiarism, cheating, fabrication, aid of academic dishonesty, lying, bribery or threats, and stealing.

The University of West Georgia maintains and monitors a confidential Academic Dishonesty Tracking System. This database collects and reports patterns of repeated student violations across all the Colleges, the Ingram Library, and the School of Nursing. Each incidence of academic dishonesty is subject to review and consideration by the instructor, and is subject to a range of academic penalties including, but not limited to, failing the assignment and/or failing the course. Student conduct sanctions range from verbal warning to suspension or expulsion depending on the magnitude of the offense and/or number of offenses. The incident becomes part of the student's conduct record at UWG.

Additionally the student is responsible for safeguarding his/her computer account. The student's account and network connection are for his/her individual use. A computer account is to be used only by the person to whom it has been issued. The student is responsible for all actions originating through his/her account or network connection. Students must not impersonate others or misrepresent or conceal their identities in electronic messages and actions.