

ECON 340 - Intermediate Microeconomic Theory

Purdue University - Fall 2011

Classroom: KRAN G020 • Tuesdays and Thursdays • 3:00PM or 4:30PM

Course Website: <http://jnromero.com/courses/2011/ECON340/>

1 Course Description

Economics 340 is a course in microeconomics at the intermediate level. It develops and applies some of the basic theories of consumer and producer behavior and market interactions, as well as studying some of the more advanced topics in microeconomics. The main objective is to help students to learn how to approach issues from an economic perspective.

2 Prerequisites

Students must have taken an introductory microeconomics course (ECON 25100) as well as calculus. They will be assumed to be familiar with the basics of supply and demand as well as algebra, the exponential and natural logarithmic functions, differentiation, optimization, and the chain rule.

This is not a math course, but students need some basic math (graphing skills, arithmetic and algebraic skills, facts and intuition from Calculus) to understand and analyze the economic issues. Some students have weak math backgrounds. If you have a weak background, recognize it now and do review work to get up to speed as soon as possible.

3 Instructor

Prof. Julian Romero

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Phone: 49-44271

Office Hours: By appointment.

Important: When emailing me, include “[ECON340FALL2011]” in subject. If this is not included, I may not see your email as it is automatically sorted by my email client. Also, since it can be difficult to explain course material over email, please don’t ask course material related questions over email. Rather, send me an email to set up an appointment to meet.

4 Textbook

The required text is the fourth edition of Microeconomics by David Besanko and Ronald Braeutigam:

D. A. Besanko and R. R. Braeutigam. *Microeconomics*. Wiley & Sons, Inc., Fourth Edition, 2010.

ISBN: 978-0-470-56358-8

A copy is on reserve in the Hicks Undergraduate Library. We will attempt to complete most of Chapters 1-15 of the text.

5 Course Work

Microeconomics is not a spectator sport. The only way to learn and understand the material is to think about and work through it. Students should attempt to solve the Learning-by-Doing exercises in the text before reading the answers provided. A substantial part of class time will be spent working through examples and applications. Do not be bothered by either the level of abstraction or the degree of simplification of the models and techniques used. The text and what we do in class have been greatly simplified to reduce the math requirements and to allow us to finish a problem or topic in a relatively short time. Even in this simplified context, it is possible to learn to think like an economist when addressing certain types of problems and to develop a relatively sophisticated economic intuition.

5.1 Reading

Reading assignments will be announced in class. The text is very readable, so much of the material will not be addressed directly in class. That makes it especially important for students to keep up with the assigned reading. I will rely on students having read and worked through the material before it is discussed in class. Students should bring up any questions they have during class discussion of the topic, and reread and again work through the material after it is discussed in class. When students read the material, they should try to think through each model or problem for understanding, not memorization.

5.2 Slides

For most of the class I will use slides to present the material. I will try to post the slides by 10AM on the day of class to give you time to print them and have them ready for class to take notes if needed. However, these slides will typically not be complete and will be missing many parts that may be presented, and will need to be filled in. It is not required to print slides before class, but it will make taking notes easier on you.

5.3 Problem Sets

There will be a total of 7 problem sets over the course of the semester. They will be posted on the course website at least one week before they are due.

If you will not be in class, your homework may be placed in my mailbox near the elevators on the fourth floor of Krannert before the end of class on the due date. Note my mailbox is below my name and items placed in the wrong mailbox will almost certainly not reach me in time to be counted.

If your homework is not in my mailbox by the time I check after class and it is not submitted in class, it will not be graded. There will be no opportunity to turn it in late or to make up the assignments, no exceptions. Instead, I will allow students to **drop their two lowest homework sets**.

Students are encouraged to form study groups to discuss and work through the problems assigned as homework. However, all material handed in must be written up individually, not copied from someone else's work. Also, **please write the names of the people that you worked with on your assignments**. If you don't write the names of the people you worked with, it may appear that you have copied someone's homework.

Part of the score for each homework assignment will be for effort (i.e., making an honest attempt to complete all the assigned problems) and part will be for your answer to the specific question that we choose to evaluate carefully. Note that not all parts of the homework will be looked at in detail during the grading process.

In order to receive full credit, homework must be neat, well organized, have the start of the answer to each part of each question clearly labeled, and have the students name written clearly at the top. All homework and exam work must be shown with enough detail for the grader to follow your reasoning.

6 Evaluation

Course grades will be based on the total of points obtained in homework and exams as follows.

Best five problem sets	20% of total possible points
First midterm exam (September 29 during class)	20% of total possible points
Second midterm exam (November 17 during class)	20% of total possible points
Final exam (as scheduled during Final Exam Week)	40% of total possible points

Notes about Course Evaluation:

- **Posting Grades:** Grades will be posted on Katalyst, and can be found at

<https://webapps.krannert.purdue.edu/>

- **Re-grade policy**

- **Homework Problems:** I do not accept re-grade requests for homework problems. Any corrections to posted scores for homework must be requested within one week of the posting.
- **Exams:** I am willing to entertain re-grade requests, subject to the following rules. Re-grade requests for exams will only be accepted within one week of handing the exams back. Requests must be written, and explain clearly why you feel you deserve more points. “My answer looks just like the key” is not a reason. We re-grade the entire exam, not just the question you have highlighted. Since errors in grading go both ways, and a re-grade request is an assertion that errors have occurred, we want to make certain to eliminate all errors. This means that your grade can go up and it can go down. We will answer the re-grade request within a week, in writing. At that point, the grade is final and not subject to further discussion.

- **Extra Credit:** Students will have to opportunity to earn extra credit. The extra credit involves finding news articles, video clips, or anything else dealing with one of the concepts from class. To get the extra credit, you will need to write a one page summary describing the source, and what it relates to from class. You will have the opportunity to do one extra credit assignment for each exam (a total of three for the semester). However, each extra credit must

be turned in before the exam, or it will not count. This means, you can't wait until the final and turn in three extra credit assignments. The extra credit will add an additional 2% to the corresponding exam.

7 Other Issues

- **Excused Absence Policy:** If for some reason you need an excused absence from this course, please contact the Office of the Dean of Students located in Schleman Hall, Room 207, 494-1747. Tell them to verify your absence and contact me to confirm.
- Class attendance is important. Class lectures, exercises, activities, and assignments are focused on the material covered and not covered in the text and on application of concepts. Habitual absence from class is not acceptable and will result in a lower grade if not failure of the course.
- My goal is to create an optimal learning environment for all students. Therefore, please be sure all electronic devices are turned off before class starts. And please be conscious that even minor whispering or other distracting behaviors can be very disruptive in a classroom.
- Students may use laptops to take notes. However, if I notice that the laptop is causing a distraction I reserve the right to ask the student to stop using the laptop during class.
- No student will be allowed to make up any exam unless they have an excused absence.
- Standards set by Purdue University as outlined in the Student Handbook and the University Regulations will be observed in this course. Any student found participating in cheating will be considered in conflict with the printed academic honesty guidelines as set out by Purdue University. In such cases, the matter will be reported to the Office of the Dean and the appropriate Purdue University administration officers for consideration and possible disciplinary action.
- Students caught cheating on homework will automatically be given a zero for that assignment, and that zero **will not** be dropped as one of the two lowest homework grades.
- Students caught cheating on exams will be given a zero for the exam.
- The final exam schedule will not be available until later. When making travel plans, do not assume the final exam will be earlier than 7-9 PM Saturday, December 17.
- Students who have special needs, i.e. hearing or visually challenged, etc., or in need of tutoring, etc., may contact the Dean of Students Office located in Schleman Hall, Room 207, 494-1747 for further assistance. Any special requirements for exams must be made at least one week before the exam.
- I will do my best to stick with the plan outlined in this syllabus, but the schedule in this course is subject to change in the event of extenuating circumstances. For example, in the event of a major campus emergency, course requirements, deadlines, and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances. If a campus emergency arises, please consult the course website for information.

8 Schedule

Week	Tuesday		Thursday	
1	08/23	Introduction	08/25	Chapter 1
2	08/30	Chapter 2 HW#1 Assigned	09/01	Chapter 2
3	09/06	Chapter 3 HW#1 Due	09/08	Chapters 3 & 4 HW#2 Assigned
4	09/13	Chapters 4 & 5	09/15	Chapter 5 HW#2 Due
5	09/20	Chapters 5 & 6 HW#3 Assigned	09/22	Chapter 6
6	09/27	Catch-Up/Midterm #1 Review HW #3 Due	09/29	Midterm #1 - In Class
7	10/04	Chapter 7	10/06	Chapter 8 HW#4 Assigned
8	10/11	No Class October Break	10/13	Chapter 8
9	10/18	Chapter 9 HW #4 Due	10/20	Chapter 9
10	10/25	Chapter 10 HW #5 Assigned	10/27	Chapter 11
11	11/01	Chapter 11 HW #5 Due	11/03	Chapter 12 HW #6 Assigned
12	11/08	Chapter 12	11/10	Chapter 13 HW #6 Due
13	11/15	Chapter 13	11/17	Midterm #2 - In Class
14	11/22	Chapter 14	11/24	No Class Thanksgiving Break
15	11/29	Chapter 14	12/01	Chapter 15 HW #7 Assigned
16	12/06	Chapter 15	12/08	Catch-Up/Final Exam Review HW # 7 Due
17	Final Exam Week 12/12 - 12/17 Exam Time TBA			