ECON 3113, Section 001: Intermediate Microeconomic Theory

Professor Myongjin Kim
Office: 308 Cate Center Drive, Room 432
email: mjkim@ou.edu
Classroom: Gaylord Hall, 2030

Office Hours: Tues. 2:00 pm - 2:45 pm
Wed. 3:00 pm - 4:15 pm
and by appointment
Class schedule: TR 04:30 pm - 05:45 pm

Course Description

Intermediate Microeconomic Theory is “the branch of economics that studies the specific choices made by consumers and producers. Although the basic outline and content of this course are similar to those of the principles of microeconomics course, there are some important differences. First, this course incorporates mathematics into models along with graphs. Economics is concerned with resource allocation, so we want to be able to create precise models that can be solved for optimal quantities. Although graphs and verbal explanations are helpful, using math allows us to better quantify these economic agents’ decisions. Second, in intermediate microeconomics the level of analysis is deeper than in principles. We examine the details of why the relationships such as the law of demand or the law of supply exist and when they don’t apply. Finally, intermediate microeconomics has a greater policy focus than the principles of microeconomics course. Understanding the economic behavior of consumers and producers is the key to developing appropriate policies. We can also use this deeper knowledge to attempt to predict how various policies affect individuals’ and firms’ incentives and change their behaviors.” (Goolsbee, Levitt, Syverson, 2nd edition)

Course Material

The textbook for the course is: Goolsbee Leitt Syverson, Microeconomics, 2nd edition, Worth publishers. This book is available at the OU bookstore, or you can buy it online. Previous editions are available through various outlets: these are fine to use as well.

Teaching Assistant/Grader

TA: Donggeun Kim
Office: TBA
Contact Info.: donggeun.kim – 1@ou.edu
OH: TBA

Course Web Page

Class announcements and homework announcements will be posted on the course web (Canvas). It is students’ responsibility to check the site regularly (at least every Tuesday and Thursday). All important announcements will be posted on it.

Homework (multiple choice questions) will be assigned on the LaunchPad.

Grading

1. Problem sets will count for 15% of the course grade, class participation/attendance for 5%, quizzes for 15%, the midterm exams for 30% and the final for 35%.
2. "Grading on the curve:" All exams and quizzes will be curved. Curved scores will be posted on Canvas.
3. No curves in homework grading.
4. Assigning final letter grades: If your final cumulative score is at least 90% out of 100% then your final letter grade will be an A. If your final cumulative score is less than 90% and at least 80% then a B. If less than 80% and at least 70% then a C. If less than 70% and at least 60% then a D. The lowest grade is F. That is:
Letter grades: A: 90.0-100 B: 80.0-89.99 C: 70.0-79.99 D: 60.0-69.99 F: less than 60
5. **No credit and/or points negotiation.**

**Problem Sets**
- Several problem sets will be assigned. Refer to the course web site for the dates in which the assignments are due. **There will be a large credit deduction for late homework submissions.** The worst grade in the problem sets will not be counted for your final grade.
- Problem sets will be available for students and students are expected to use them as tool to prepare for in-class examinations. The in-class quiz/exam questions will at times follow these questions closely and sometimes even using them. The answer key to that problem set will be posted on the course web to further enhance preparation for the exam covering that material.
- Students can find homework instructions/deadline on the course website. All assignments should be submitted online, i.e. **LaunchPad for multiple-choice questions and dropbox of the course web for short-answer questions.** Late submission will incur a large credit deduction.
- Problem sets will be graded automatically in the LaunchPad system and/or by the TA. Questions about homework grading must be taken up with the TA before I consider them.
- It is your responsibility to get access to Canvas. No submission by email is accepted unless exceptions approved by the professor or the grader.
- Homework grades and comments will be posted on your personal webpage of the LaunchPad after your submission.

**Quizzes**
- There will be 3 quizzes in class. It is students’ responsibility to check the dates in which the quizzes are scheduled. The worst grade among the three will not be counted for your final grade.
  - quiz 1: Sept. 18th, Tuesday, in class
  - quiz 2: Oct. 23rd, Tuesday, in class
  - quiz 3: Nov. 27th, Tuesday, in class
- All quizzes will be carbon-copied/document using Scantron to keep a record of completion.
- If you miss all three quizzes, the weight will be shifted to the final exam.
- NO makeup quizzes unless there are unavoidable exceptional circumstances verified by the College of Arts & Sciences. In case of such unavoidable exceptional circumstances it is the students’ responsibility to inform the professor at least 24 hours prior to the start of the quiz in written form. Any medical conditions resulting in unavoidable exceptional circumstances require documentation from Student Health Services at the University of Oklahoma.

**Exams**
There are two midterm exams. They cover the class material and homework problems **for the corresponding period.**
- **Midterm 1**: (tentative: Chapters 1-5) - Tuesday, October 2nd. in class
- **Midterm 2**: (tentative: Chapters 6-11) - Thursday, November 8th. in class
Scantron will be used for multiple-choice questions in addition to regular exam books.

**Final Exam Preparation Period**

Pre-finals week will be defined as the seven calendar days before the first day of finals. Faculty may cover new course material throughout this week. For specific provisions of the policy please refer to OU’s Final Exam Preparation Period policy (https://apps.hr.ou.edu/FacultyHandbook#4.10).

There is a **cumulative final examination** scheduled

**Final exam : Gaylord Hall, 2030, December 12, 2018, 10:30am - 12:30pm (please double check.)**

You are responsible for **double-checking** your own final exam schedule. The majority of the exam (and most of the longer analytical questions) will test the material covered in the last section (from Ch.8 to Ch.17) of the course.

**Exam Policy**

1. All exams will be carbon-copied to keep a record of completion.
2. NO makeup exams for missed midterm exams.
3. **The worst grade among the two midterm exams will not be counted for your final grade.**
4. If you miss one midterm exam, then the other midterm exam has a weight of 30%.
5. **Note that if you take one out of the two midterm exams**, then there is no weight shift to the final exam because the one that you take will be counted.
6. **If you miss both midterm exams, then the weight will be shifted to the final exam (then the final exam has a weight of 70%).**
7. Failure to take the final exam will automatically result in a course grade of F unless there are unavoidable exceptional circumstances verified by the College of Arts & Sciences. In case of such unavoidable exceptional circumstances it is the students’ responsibility to inform the professor at least 24 hours prior to the start of the final exam in written form. Any medical conditions resulting in unavoidable exceptional circumstances require documentation from Student Health Services at the University of Oklahoma.
8. If you intend to travel home by air at the end of the semester, please be careful to reserve seats only for flights scheduled after your final exam is completed.
9. If there are any exam schedule conflicts with other classes, it is the students responsibility to inform the professor at least 7 days prior to the exam.
10. You have one chance to request a regrading after each exam. Any requests for regrading of exams must be submitted within one week from the date that exams are returned in class, and must be done in written form. The one-week period for submission of exams for regrading begins on the date that the exams are returned in class and not from the date that you pick up the exam. If you miss the class during which the exams are returned, it is your responsibility to pick up your graded exam within the one-week period. If a regrade is requested, the whole exam is subject to regrading. Submitted exams must be in original condition. Alternation of answers may lead to violation of course policies. No regrading of homework.
11. No laptops, cellphones, kindles, and tablets are allowed in exams. Students must bring a calculator.
12. Photo ID card presentation in exams is required.
13. All exams are closed book exams.
14. Do not walk around during exams.
15. **NO cheating in exams.** Cheating is the fraudulent or dishonest presentation of work. Cheating policy: F in course and reported to the CAS Dean’s office for investigation and possible referral to the CAS Academic Conduct Committee.

**Class Participation/Attendance**

Class participation is a component of course grades. Class participation will count for 5% of the final grade.

**Policy regarding Class Attendance**

Class attendance is strongly encouraged and required. I recommend that you come to classes and take detailed notes since complete lecture notes will **not** be posted on the website. If you miss a class for any reason, it is your responsibility to obtain lecture notes from your classmates.

Notice the following Economics Department policy regarding class attendance in the first week: The Economics Department reserves the right to drop students from economics courses for non-attendance during the first week of classes or failure to meet course prerequisites. Students who want to drop economics courses after enrollment still have the responsibility for the drop. If students miss more than one third of the class without notification, I will report it to the CAS and take a proper action following the class enrollment rule of the CAS.

**Other policies you must know**

1. In class policy
   (a) This class cannot be taken pass/fail.
   (b) Students should check the class website regularly since all important announcements will be posted on it.
   (c) **Extra credit questions (1 or 2 pop-Qs) will be offered in class.**

2. Review Sessions: Before each exam I will hold a review session. The times and locations will be announced ahead of time in class. Sessions are optional and will be entirely devoted to Q & A.

3. Calculators: Students can use a calculator on exams but no graphing calculators or phones/tablets.

**Course Outline (preliminary)**

The actual time spent on each topic is likely to be adjusted as the semester proceeds. The corresponding chapters are based on the 2nd edition of the textbook.

1. **Basic Concepts:**
   1.1 Introduction: Microeconomics (Ch. 1)
   1.2 Supply and Demand (Ch. 2)
       1. Supply and Demand Curves
       2. market Equilibrium
       3. Elasticity
   1.3 Using Supply and Demand to Analyze Markets (Ch. 3)

---

For College of Arts & Sciences students, charges of academic misconduct beside cheating on exams, such as theft of examinations, plagiarism, alteration of work after submission, or alteration of records, are referred to the CAS Dean’s office for investigation and possible referral to the CAS Academic Conduct Committee.

Students are advised that, by vote of the College faculty, the penalty against College of Arts & Sciences students for cheating on examinations or for plagiarism may be "... expulsion from the University or such other penalty as may be recommended by the Academic Conduct Committee, subject to approval by the dean." All students are responsible for having read the College of Arts & Sciences Academic Conduct Code.
1. Consumer and Producer Surplus
2. Price and Quantity Regulations
3. Taxes and Subsidies

2. Consumption and Production:
   2.1 Consumer Behavior (Ch. 4)
       1. Consumer Preference and Utility
       2. Indifference Curves
       3. Budget Constraint
       4. Combining Utility, Income, and Prices
   2.2 Individual and Market Demand (Ch. 5)
       1. Income and Substitution Effects
       2. Impact of Changes in Another Good’s Price
   2.3 Producer Behavior (Ch. 6)
       1. Production in the Short Run / Long Run
       2. Returns to Scale
       3. Technological Change
   2.4 Costs (Ch. 7)
       1. Opportunity Costs
       2. Sunk Costs
       3. Costs and Cost Curves
       4. Average and Marginal Costs
       5. Economies of Scale

3. Markets and Prices:
   3.1 Supply in a Competitive Market (Ch. 8)
       1. Market Structures
       2. Perfect Competition in the Short Run / Long Run
       3. Profit Maximization
   3.2 Market Power and Monopoly (Ch. 9)
       3.3 Pricing Strategies for Firms with Market Power (Ch. 10)
           1. Direct Price Discrimination I: Perfect/First-Degree Price Discrimination
           2. Direct Price Discrimination II: Segmenting/Third-Degree Price Discrimination
           3. Indirect/Second-Degree Price Discrimination
           4. Block Pricing and Two-Part Tariffs
   3.4 Imperfect Competition (Ch. 11)
       1. Oligopoly: Bertrand Competition
       2. Oligopoly: Cournot Competition
       3. Oligopoly: Stackelberg Competition
       4. Monopolistic Competition
   3.5 Game Theory (Ch. 12)
   3.6 Factor Markets (Ch. 13)
Dear Students,

My online course for assignments is open for student registration. Follow these steps to get started. If you need additional guidance, consult the support site, especially the system requirements which list recommended browsers.

Go to http://www.macmillanhighered.com/launchpad/gls2e/8597977

Bookmark the page to make it easy to return to (although note that the URL will look different due to security measures).

Enroll in this course using one of the following options:

If you have an access code, select “I have a student access code”, enter the code exactly as it appears on the card, and click Submit.

If you don’t have an access code, either purchase a text package that includes one OR click “I want to purchase access” and follow the instructions.

If you need to start working but can’t purchase right away, select “I want temporary access” and follow the instructions. Please note: Your grades are linked to your Launchpad account username (email address). If you use temporary access, make sure you purchase or register your code using the same email address for your paid access.

If you have problems registering, purchasing, or logging in, please contact Customer Support.

You can reach a representative 7 days a week:

through the online form
by chat
by phone at (800) 936-6899

Looking forward to seeing you in class!

Myongjin Kim

mjkim@ou.edu