ECO306A: Microeconomic Theory – Fall 2017

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Office Location: Business Hall 103  
Office Hours: Monday and Friday 3:00 - 4:00 p.m., Tuesday 2:00 – 4:00 p.m., and by appointment.  
Class Time & location: -M-W-F-, 9/7/2017-12/20/2017, 10:40 a.m. - 11:50 a.m., MN310

Course description: General Education S2. An examination of modern price theory with specific emphasis on consumer demand, production and cost, the firm and market organization, and theory of distribution. (FA) Pre-requisite: ECO124.


Policies on attendance and missed assignments/exams:

It is expected that the student will attend each class meeting. Student attendance is crucial for mastering the material. If possible, I’d like to be notified in advance in those cases where the student will be absent.

Course Objectives:

There will be periodic problem sets assigned from end-of-chapter questions from the text, and possibly, from the internet exercises at the end of each chapter. Some questions will be composed by me. These problem sets will be graded and will consist primarily of essay/problem-solving questions. Students are encouraged to work together on these problem sets. The material to be covered on the three exams is as follows:

- **Exam 1**: Chapters 1 - 7
- **Exam 2**: Chapters 8 - 14
- **Final Exam**: Chapters 15 - 18

The exams will also consist of essay/problem-solving questions and will be worth 100 points each. No extra credit is given. Your course grade will be based upon your performance on the three examinations, the problem sets, and on your group’s oral presentation/written paper given in class. The oral presentations will be approximately 15-20 minutes in length, and will cover some topic in microeconomics. It will take place during the last week of the course, as noted on the outline. Your presentation may make use of Power Point, but will probably involve the use of graphs and/or microeconomic analysis in investigating your topic. After each presentation, a brief question-and-answer period will take place.

I will also be incorporating Canvas as a teaching tool in the class. This will allow me to keep in contact with the class regarding announcements, assignments, exams, grading, and other correspondences.
The oral presentations will be group projects, with each group consisting of two or three students. Each member of the group will receive the same grade. In addition to making the oral presentation, each group will submit a 12-15 page paper on the topic they present. By the end of the second week of the semester, groups will have been determined. Topics could include, but are not limited to: the effect of sales and excise taxes on market equilibrium; costs, efficiency, and the gains from the trade; the impact on consumer choice of changing prices, changing incomes, and changing tastes; factors underlying the behavior of business firms; short-run and long-run responses of firms to changing production costs; price controls, consumer surplus, and producer surplus; game theory applied to oligopoly; public goods versus private goods; income inequality and the return to labor; and the effect of risk and uncertainty on consumer choice. Each project will make use of the quantitative and/or graphical approach employed by the topics covered in the course. These projects are expected to be more in-depth than projects presented in Economics 124, Principles of Microeconomics. Students pose a key microeconomic question (hypothesis) to address. Students then develop an economic model to test their hypothesis. Data collection makes up the next phase in the process, and students then test the model with the data to see if their hypothesis is supported by the data. Whereas in principles of economics courses, students use secondary data, in intermediate economics courses, students use primary source data and employ methodologies applicable to the field of economics. Finally, the students communicate their results in a class presentation, followed by a question-and-answer session. In addition, students also suggest possibilities for future research. Topics must be approved by the instructor. Grades will be assigned on the basis of the thoroughness of the project.

Learning Outcomes:

Upon successful completion of this course, the student should be able to:

(1) see more fully than in the principles of microeconomics course the factors affecting supply, demand, and market equilibrium;
(2) understand the economic behavior of consumers in the marketplace, including the use of budget lines and indifference curves;
(3) understand the economic behavior of firms in the marketplace, including the use of isoquant and isocost curves;
(4) grasp the economic relationships between productivity and costs;
(5) see the differences in the various market structures of our economy;
(6) appreciate the attempts to model imperfect competition, such as game theory;
(7) understand the demand for the factors of production, especially the demand for labor;
(8) see how risk and uncertainty affect economic decisions of consumers and business firms;
(9) understand the methodologies germane to the social sciences, in particular to economics, as it applies to the larger social context; and
(10) analyze and integrate material in the field of economics, which may be outside the student’s major area of study.
**Measures of Achievement:**

These outcomes will be assessed using the following:

(1) Written examinations and problem sets – The three essay/problem-solving exams and the three problem sets will be used in assessing writing and critical thinking skills, and in assessing items (1), (2), (3), (4), (6), (7), and (8) above.

(2) Group project presentations – These will be used in assessing oral communication and critical thinking skills, as well as the student's understanding the contemporary relevance of the course. Items (2), (3), (5), (9), and (10) above will be assessed using these presentations.

(3) The 12-15 page paper (accompanies the group project presentation) – the paper will be used in assessing writing and critical thinking skills, as well as items (2), (3), (5), (9), and (10) above.

**Content and Skills Goals:**

This course makes use of writing, oral communication, and critical thinking skills in the presentations, papers, and the three exams given during the semester. The student is expected to apply the intermediate microeconomic concepts learned in class.

**Grading Scale/Weight:**

Your course grade will be determined on the basis of the following weights:

- Highest two exam scores: 25% each
- Lowest exam score: 10%
- Oral Presentation and Written Paper: 25%
- Problem Sets: 15%
- Total: 100%

The grading scale to be used in the course is as follows: 92-100 A; 89-91 AB; 81-88 B; 78-80 BC; 64-77 C; 58-63 D; below 58 F.

**Tentative Course Schedule:**

Outline for the Course:

- **Sept. 8 - 15**
  - Supply, Demand, and Equilibrium/Chapter 1
  - Prices, Costs, and the Gains from Trade/Chapter 2
  - The Behavior of Consumers/start Chapter 3

- **Sept. 18 - 22**
  - The Behavior of Consumers/finish Chapter 3
  - Consumers in the Marketplace/Chapter 4
  - The Behavior of Firms/Chapter 5
  - Assign Problem Set #1

- **Sept. 25 – Oct. 2**
  - Go over Problem Set #1
  - Production and Costs/Chapter 6
Competition/Chapter 7

Oct. 4          EXAM 1

Oct. 6 - 13    Welfare Economics and the Gains from Trade/Chapter 8
Knowledge and Information/Chapter 9
Monopoly/start Chapter 10

Oct. 16 - 17    Fall Mid-Semester Break – No Class

Oct. 18 - 20    Monopoly/finish Chapter 10
Market Power, Collusion, and Oligopoly/Chapter 11

Oct. 23 - 27    The Theory of Games/Chapter 12
External Costs and Benefits/Chapter 13
Assign Problem Set #2

Oct. 30 – Nov. 3 Common Property and Public Goods/Chapter 14
Go over Problem Set #2

Nov. 6          EXAM 2

Nov. 8 - 17     The Demand for Factors of Production/Chapter 15
The Market for Labor/Chapter 16

Nov. 20 – 22    Allocating Goods Over Time/start Chapter 17
Assign Problem Set #3

Nov. 23 - 24    Thanksgiving Break – No Class

Nov. 27 – Dec. 1 Allocating Goods Over Time/finish Chapter 17
Go over Problem Set #3
Risk and Uncertainty/start Chapter 18

Dec. 4 - 6      Risk and Uncertainty/finish Chapter 18

Dec. 8 - 13     Oral Presentations
Review for Final Exam

Dec. 14        Reading Day – No Class

Dec. 18 (Mon.)  FINAL EXAM at 11:00 am

"The Writing Center is a free service available to all students who would like additional help with their writing. Tutors can assist you with any writing problems from brainstorming to citation. To make an appointment, go to http://www.carrollu.edu/learningcommons/writingcenter.asp. Or you can log into my.carrollu.edu, select the student tab, click on the Library Learning Commons link and follow the instructions on the Make An Appointment-Library Learning Common section. For quick questions taking 10 minutes or less, drop-in visits with the Writing Assistants are available without an appointment in the Learning Commons Monday-Thursday from 2:30-5:30 p.m."
The instructor and the University reserve the right to modify, amend, or change the syllabus (course requirements, grading policy, etc.) as the curriculum and/or program require(s).

Students with documented disabilities who may need accommodations, or any student considering obtaining documentation should make an appointment with Ms. Martha Bledsoe, Director of Services for Students with Disabilities, no later than the first week of class. She can be reached by calling 262-524-7335 or contacting her via email at mbledsoe@carrollu.edu.

The Carroll University Academic Integrity Policy is located in your student handbook (https://my.carrollu.edu/ICS/Departments/Student_Affairs). I encourage you to familiarize yourself with it. If a student violates this policy in any way, I reserve the right to impose a sanction of failure on the assignment/assessment or failure in the course. If you have questions about appropriate citations, please ask.