

Intermediate Microeconomic Theory Econ 301, Fall 2013

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Course Overview

This course reviews the major concepts of microeconomic theory, building on the ideas introduced in Econ 101 (or Econ 111). The concepts discussed in this course serve as the launching pad for many sub-disciplines of economics, such as labor, health, and industrial organization. While many of the concepts are illustrated using graphical techniques, several key ideas will be proven using multivariate calculus. Prerequisites include any two introductory economics courses and one semester calculus (Math 211 or Math 221; Math 221 recommended).

Class Meetings

Lecture 1: Classes will be held Mondays and Wednesdays from 2:30 to 3:45 p.m. in Social Science 5208.

Lecture 2: Classes will be held Tuesdays and Thursdays from 11:00 a.m. to 12:15 p.m. in Ingraham 19.

My office hours are Mondays from 11:00 a.m. to 12:30 p.m. in Social Science 7321.

Textbook

Varian, Hal R. (2009). *Intermediate Microeconomics: A Modern Approach*. W.W. Norton & Company, Eighth Edition (ISBN: 9780393934243).

WebAssign

For this course, you are required to purchase WebAssign, an online system for submitting and grading problem sets. The cost is \$22.95, and it can be purchased from the WebAssign website. To sign up:

1. Go to <http://webassign.net/>
2. Click "Have a class key?"
3. Enter the class key: **wisc 0301 0827** and click "Submit"
4. Click "Yes, this is my class"

5. Select either “I already have a WebAssign account” or “I need to create a WebAssign account” and enter the requested information

For those who are not sure whether they will remain in the course, you will be granted free access to the WebAssign website until 9/16. Alternatively, if you opt to pay right away, you may request a refund within 14 days of the online purchase date.

Evaluation

Your final grade for the course will be based on two components:

- Exams: There will be two midterm exams, each worth 20% of your grade for the course, plus a final exam, worth 30% of your grade.

Ensure that you are available these dates, as exams will not be rescheduled for any student for any reason:

Lecture 1: Oct 14 (in class), Nov 20 (in class), and Dec 15 (12:25-2:25 p.m.)

Lecture 2: Oct 10 (in class), Nov 19 (in class), and Dec 15 (12:25-2:25 p.m.)

On a case by case basis, in the event of a truly unavoidable absence (submit a written statement in advance of the exam), I may elect to shift the weight of a missed exam to the other exams when calculating your final grade.

After receiving your graded exam, please compare it with the answer key. If you find a mistake or are otherwise unhappy with your grade, you have two weeks to submit a written complaint to your TA, explaining carefully why your grade should be changed. In such cases, keep in mind that your entire exam may be reevaluated, and consequently, your grade can go up or down.

- Weekly problem sets: These are worth 30% of your grade for the course, so completing them will be critical to your success. ***Problem sets must be completed on the WebAssign website no later than 11:45 p.m. on the day they are due. Late problem sets will not be accepted. However, your lowest two problem set grades will be automatically dropped.*** While you are encouraged to form a study group with your classmates, you must submit your answers independently.
- Overall grade: Your overall grade for this class will be curved. This curve can help your grade, but cannot hurt it. For those who like the gory detail, I compute your grade using two different methods. First, I assign grades according to a percentage scale, where A = [92,100], AB = [88,92), B = [82,88), BC = [78,82), C = [70,78), D = [60,70), F = [0,60). (In other words, if you receive an overall grade in the class of 92% or better, then you'll receive an A.) Second, I assign grades according to a percentile scale, where A = [83,100], AB = [65,83), B = [45,65), BC = [25,45), C = [6,25), D = [3,6), F = [0,3). (In other words, if you perform better than 83% of the

class, then you'll receive an A). Your overall grade in the class is the higher of these two grades.

Students with Disabilities

If you have a documented requirement for accommodation, please send me an e-mail and bring me a photocopy (not the original) of your McBurney visa by Thursday of next week (9/12).

Grievance Procedure

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

If you wish to file a grievance, you should go to room 7238 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints.

Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary for providing a written response.

Misconduct Statement

Academic Integrity is critical to maintaining fair and knowledge based learning at UW Madison. Academic dishonesty is a serious violation: it undermines the bonds of trust and honesty between members of our academic community, degrades the value of your degree and defrauds those who may eventually depend upon your knowledge and integrity.

Examples of academic misconduct include, but are not limited to: cheating on an examination (copying from another student's paper, referring to materials on the exam other than those explicitly permitted, continuing to work on an exam after the time has expired, turning in an exam for regrading after making changes to the exam), copying

the homework of someone else, submitting for credit work done by someone else, stealing examinations or course materials, tampering with the grade records or with another student's work, or knowingly and intentionally assisting another student in any of the above. Students are reminded that online sources, including anonymous or unattributed ones like Wikipedia, still need to be cited like any other source; and copying from any source without attribution is considered plagiarism.

The Dept. of Economics will deal with these offenses harshly following UWS14 procedures (<http://students.wisc.edu/saja/misconduct/UWS14.html>):

1. The penalty for misconduct in most cases will be removal from the course and a failing grade,
2. The department will inform the Dean of Students as required and additional sanctions may be applied.
3. The department will keep an internal record of misconduct incidents. This information will be made available to teaching faculty writing recommendation letters and to admission offices of the School of Business and Engineering.

If you think you see incidents of misconduct, you should tell your instructor about them, in which case they will take appropriate action and protect your identity. You could also choose to contact our administrator (Tammy Herbst-Koel: therbst@wisc.edu) and your identity will be kept confidential.

Course Outline

Dates are tentative and represent a best guess of where we will be on any given date. Exam dates, however, are firm and will not be changed.

Topic	(Tentative) Dates		Reading
	Lecture 1	Lecture 2	
The Market & Budget Constraint	9/4	9/3	Chapter 1 & 2
Preferences	9/9	9/5	Chapter 3
Utility	9/11	9/10	Chapter 4
Choice	9/16	9/12	Chapter 5
Demand	9/18	9/17	Chapter 6

Topic	(Tentative) Dates		Reading
	Lecture 1	Lecture 2	
Revealed Preferences	9/23	9/19	Chapter 7 (up to page 130)
Slutsky Equation	9/25	9/24	Chapter 8
Uncertainty	9/30	9/26	Chapter 12
Consumer Surplus	10/2	10/1	Chapter 14
Market Demand (Elasticity)	10/7	10/3	Chapter 15
Review Session	10/9	10/8	
Midterm	10/14	10/10	Chapters 1-8; 12; 14-15
Equilibrium	10/16	10/15	Chapter 16
Exchange	10/21	10/17	Chapter 31
Technology	10/23	10/22	Chapter 18
Profit Maximization	10/28	10/24	Chapter 19
Cost Minimization	10/30	10/29	Chapter 20
Cost Curves	11/4	10/31	Chapter 21
Firm Supply	11/6	11/5	Chapter 22
Industry Supply	11/11	11/7	Chapter 23
Monopoly	11/13	11/12	Chapter 24
Review Session	11/18	11/14	
Midterm	11/20	11/19	Chapters 16; 18-24; 31
Monopoly Behavior	11/25	11/21	Chapter 25
Oligopoly	11/27 & 12/2	11/26 & 12/3	Chapter 27
Externalities	12/4	12/5	Chapter 34
Public Goods	12/9	12/10	Chapter 36
Asymmetric Information	12/11	12/12	Chapter 37
Final Exam	12/15 (12:25-2:25 p.m.)		Cumulative