

Economics 303

Intermediate

Microeconomics II

Vital Information:

Professor Aaron Finkle, afinkle@csusm.edu

Phone: (760) 750-4198

Office: Craven 6231, Thursdays 11:00 – 12:00 and 1:30 – 2:30

Email appointments preferred

Overview

This course continues the Intermediate Microeconomics sequence by studying the behavior of firms in the marketplace. Though taking 301 prior to this class is not necessary, most of the mathematical tools are similar. This class is divided into the classical (non-strategic) models of perfect competition, monopoly and monopolistic competition and the game theoretic (strategic) models of firm behavior and competition. The primary goal for this course is to continue to build your economic theory skills through the close study of models of markets and pricing and production behavior. In addition to learning the core models, the course will improve your ability to interpret and critically analyze economic theory.

Textbook and other Reading materials:

The primary textbook that you will need to purchase for this course is Jeffery Perloff, Microeconomics 5ed, Addison-Wesley. The 4th edition is also permitted but you will need to check with myself or classmates with the 5th edition to assure that you are reading the correct chapters. While the 4^{ed} is likely to be cheaper on the used market, you will not be able to sell it at the end of the semester.

There are some supplemental sources that you may wish to refer to as well:

- David Friedman provides access to his intermediate textbook online and is useful for additional explanations of the material:
http://www.davidfriedman.com/Academic/Price_Theory/PThy_ToC.html
- Preston McAfee also has an open source “Introductory Economics” which covers a wide array of topics not found in other texts. It is more mathematical than most texts: <http://www.introecon.com/>

Calculus refreshers, announcements, problem sets and other articles will appear on WebCT6. **Please sign onto WebCT after the first class period to make sure you have access to the materials.**

Expectations

I have divided the course into five three-week sections. Each section is conducted as follows:

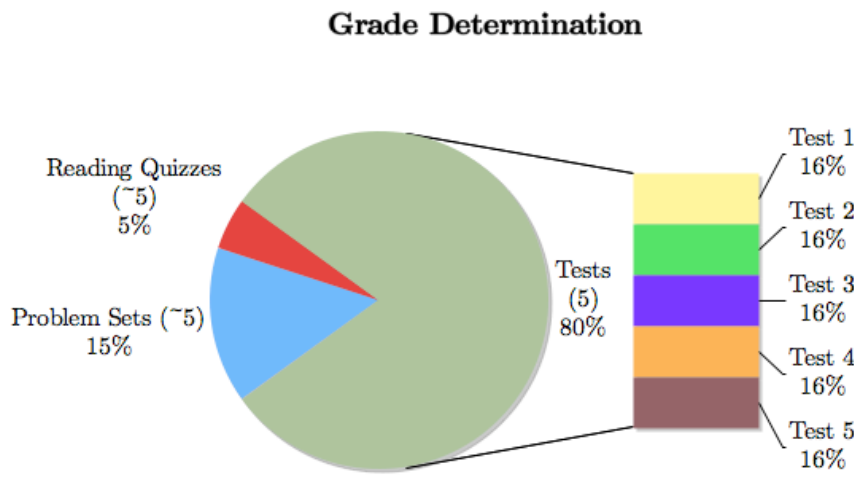
Weeks 1 and 2: Lecture, Reading Quiz

Week 3: Day 5: In-Class Problem Set

Day 6: Test

Reading quizzes will occur unannounced on one of the lecture days. Be sure to have done readings in advance for these quizzes.

Your grade in the class derives from your test scores, problem set scores and quizzes. Attendance and participation points may be added to your grade in the end if appropriate. However, if you miss any classes you should not expect this bonus.



This semester I am giving the option to reduce the weight of the lowest test grade to 8% (increasing the other tests to 18%). Since this guarantees you a better grade, its not really an “option”. This does hopefully allow for the off chance of an outlier lower test score being reduced in weight.

How To Succeed

I strongly believe that it is more valuable to continually study than cram material before a test. For many of us, “the spirit is willing but the flesh is weak” so I reserve the right to give surprise quizzes if preparation becomes lacking. Like with other economics classes, the best way to learn the material is through active studying, including working on problems, writing out notes, and basically doing anything to keep yourself engaged with the material beyond simply reading the text. If you would like assistance on improving your study habits (more productive in less time = efficient) contact me and we can discuss study techniques.

I encourage you to take advantage of my office hours (or just stop by – I’ll tell you if I am too busy at that moment). I am available to go over concepts and problems – though I won’t answer problem set questions for you. Also, I understand many of you are commuter students and busy during regular hours, so I am always available through

email. If a question is difficult to address electronically, I may ask you to set up a time to talk with me in person.

Academic Accommodation:

Any student eligible for and desiring academic accommodation due to a disability should provide documentation to Disabled Student Services (DSS) located in Craven Hall suite 5205 within the first two weeks of the semester. Students with disabilities requesting accommodations due to a qualified condition should check in with DSS as early as possible.

Course Map

Supplemental readings and notes available on WebCT6

Section 1 (Aug. 25th - Sept. 10th)

Theory of the Firm

Production

Readings: Perloff Chapter 6

Section 2 (Sept. 15th – Oct. 1st)

Costs

Input Choice and Cost Minimization

Readings: Perloff Chapter 7

Section 3 (Oct. 6th – Oct. 22nd)

Profit Maximization

Supply Functions

Perfect Competition

Readings: Perloff Chapter 8

Section 4 (Oct 27th – Nov. 12th)

Monopoly

Monopolistic Competition

Monoposony and Factor Markets

Readings: Perloff Chapter 11 and 12

Section 5 (Nov. 17th – Dec. 3rd)

Non-Cooperative Game Theory

Oligopoly Models

Principal-Agent Problems

Readings: Perloff Chapter 14, Supplements online