



NORTHWEST
MISSOURI STATE UNIVERSITY
MARYVILLE | KANSAS CITY

Melvin D. & Valorie G. Booth School of Business

Microeconomic Theory
ECON 52353, 48 contact hours, 3 credit hours

5-Week Summer Session

Instructor: TBA

E-mail: TBA

Office Hours: By appointment

* Email is the preferred method of correspondence. If you email me any questions, expect a 24-hour window for response during weekdays, and a 72-hour window during weekends or holidays. If you do not receive any response from me within the time frame, write me another email or come to talk to me after lectures or during office hours.

Prerequisites: ECON 52150 and ECON 52151

Must Read: This course is math-intensive. We will use a lot of mathematical tools to understand how economic theory works. This will also involve heavy calculus.

Textbook and supplementary materials:

The officially-adopted book is (we will only use lightly, as I plan to replace this book):

- *Price Theory and Applications* by Steven E. Landsburg (Hereafter SEL), 9th edition, Cengage Learning, 2014.

There are a lot of other books that I will also reference from:

- *Intermediate Microeconomics* by Hal R. Varian (Hereafter V), 9th edition, W. W. Norton, 2014.
- *Intermediate Microeconomics and Its Applications* by Walter Nicholson and Christopher Snyder (Hereafter NS), 12th edition, Cengage Learning, 2017.
- *Intermediate Microeconomics with Calculus* by Hal R. Varian (Hereafter VC), 1st edition, W. W. Norton, 2014.
- *Microeconomics* by David Besanko and Ronald R. Braeutigam (Hereafter BB), 4th edition, Wiley, 2011.

At times we will also use references from the Internet:

- An important math review document by Professor Christopher Flinn at New York University: <https://www.nyu.edu/econ/user/flinn/courses/intermicro02/calc.pdf>
- Some important calculus tools by Professor Korinna K. Hansen at the University of WisconsinMadison: <https://www.ssc.wisc.edu/~munia/467/OptimizationHansen.pdf>



- Notes on profit-maximization and cost-minimization by Professor Alexander K. Karaivanov at Simon Fraser University: <http://www.sfu.ca/~akaraiva/costmin.pdf>

Course Description: This course builds on the intuition developed in Principles of Microeconomics, providing you with the mathematical tools needed for more rigorous and powerful economic analysis. A large part of the course examines models of individual decision making by consumers and firms. These stylized models of choice represent the foundation of work in economics. The key ingredients of these models are constraints, preferences, and optimization. The mathematics of optimization, our main analytical tool in the course, allows to examine how agents (households, firms) respond to changes in their environment, and hence how they respond to incentives. Additional topics examined are extensions of the basic model of individual behavior, such as choice under uncertainty and decisions in strategic environments. We will also examine how buyers and sellers interact in (perfectly or imperfectly) competitive markets, and how prices are formed.

Student learning outcomes and Assessment methods:

Student Learning Outcomes	Assessment Methods
Upon completion of this course, the student should have increased his/her proficiency in the following University competencies via the specified course outcomes:	
Students will be able to formalize with analytical models and graphical analysis economic trade-offs commonly encountered by consumers and firms.	Lectures, Videos, Worksheets, Exams, Extra Readings
Students will demonstrate understanding of the fundamentals of the theory of strategic interaction, and of its main applications.	Lectures, Videos, Worksheets, Exams, Extra Readings
Students will utilize basic models in microeconomic theory to frame and analyze public policy or business problems.	Lectures, Videos, Worksheets, Exams, Extra Readings

Instructional methods: This course will be delivered fully online, and all instructional methods and assessments outlined as follows will be adapted to this format on Canvas. Lectures, worksheets, and exams. Lecture videos or extra readings may be provided in lieu of lectures if necessary. See the next section for the course requirements.

Graded Items	Points Available
Worksheets	100
Exam 1	100
Exam 2	100
Exam 3	100
Total	400

points and grading scale:



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Dividing your score by 400 gets you the percentage score. After each exam (except for the last one), an indicative curve will be announced to provide students some sense of where you stand in the class for that single exam only. *In general, the median of exam score is generally around lower B- or upper C+.* **The grade distribution for this course is not following a fixed scale. Your final grade will be determined based on your relative standing in the class (a final unpublished curve for the whole class). In other words, this implies that, for example, 80% can be a B or a C, depending on the performance of the whole class. It is also theoretically possible to receive an F even if you get, for example, 65%.** Note that it is at the instructor's discretion to determine the final grade when it comes to borderline cases and special cases. If you do not understand the grading system, come talk to the instructor.

Worksheets

Each class there will be a worksheet distributed in class, and each worksheet is due the next class. At the next class, the instructor will notify the students whether it is “really” to be collected. If it needs to be collected, it accounts for 5 points. At least 20 worksheets will be collected throughout the course. The maximum one can get from this category is 100 points. Worksheet grading can take either one of the following two formats: grading by submission, or grading by work. Grading by submission means that anyone that submits the particular worksheet receives full credit. Grading by work means that the worksheet will be graded based on the work presented; in this format, your grade for that specific worksheet can be anywhere between 0 to 4 points, depending on how correct you are on the work. Worksheets (and solutions) will not be posted on the website before it is due. You can only obtain one from lecture. Any type of questions is possible: multiple choice, fill in the blanks, short answers, etc. The information on whether any particular worksheet is to be collected will not be revealed in advance. The information on whether any particular worksheet is to be graded by submission or by work will not be revealed in advance.

Exams

Throughout the session there are going to be three (3) exams. Note that the last exam is not cumulative or comprehensive. Exam dates are:

Exam 1

Exam 2

Exam 3

There will be no makeup exams except for university approved activities, death in immediate family, illness, or military/jury duty. Notice must be given to the instructor prior to your absence and documentation is required to make up the exam. For example, letters from a coach, doctor, or obituary is necessary to make up the exam. Failure to give such notice will result in a zero (0) for that exam. It is up to the instructor's discretion for makeup exams. No early exams will be given. Exams will consist of all multiple-choice questions. Only simple calculators are allowed to be used during any exam. If one is caught using any advanced (for example, graphing) calculator, it will be taken away immediately, and you will receive a zero (0) on that exam. Please only use pencils to construct your answers and erasers to correct them. Show me the calculator you would like to use on exams before any exams, if you are not sure if you can use it. Any other electronic devices and paper dictionaries are not allowed for use during



the exam. There are also no hats of any kind or head phones allowed during any exam. Cheating will not be tolerated and will result in an F for the course as well as a letter written to the Dean of Students which could result in the student(s) being expelled! All parties involved will be considered cheating.

Extra Credit

Extra credit opportunity may be made available irregularly during lecture time. I reserve the right to make it available only to those who attend that specific lecture. It may or may not be announced in advance.

Tentative & Approximate Course Calendar:

This is a tentative course calendar. Depending on how the course progresses we may change some topics.

Module	Day	Topics (in general)	Chapters (SEL)
0	Week 1 – Day 1	Introduction, Logistics	
1	Week 1 – Day 2	Math Review	
2	Week 1 – Day 3	Supply, Demand, Equilibrium	1
3	Week 1 – Day 4	Utility, Indifference Curve, Preferences	3
3	Week 2 – Day 1	Utility, Indifference Curve, Preferences, cont.	3, 4
3	Week 2 – Day 2	Utility, Indifference Curve, Preferences	3
4	Week 2 – Day 3	Budget Constraint	3, 4
5	Week 2 – Day 4	Consumer Choice	3
6	Week 3 – Day 1	Income Effect, Substitution Effect	4
	Week 3 – Day 2	Exam 1	
7	Week 3 – Day 3	Production	5
8	Week 3 – Day 4	Profit, Cost	6
9	Week 4 – Day 1	Perfect Competition	7
10	Week 4 – Day 2	Perfect Competition	7
9	Week 4 – Day 3	Exam 2	
10	Week 4 – Day 4	Monopoly	10
11	Week 5 – Day 1	Monopolistic Competition, Price Discrimination	11
12	Week 5 – Day 2	Oligopoly	11
13	Week 5 – Day 3	Game Theory, Exchange, Edgeworth Box, Endowment	12, 8
14	Week 5 – Day 4	Exam 3	12



Relevant University Policies:

Attendance: Students are expected to attend all classes as specified in the course syllabi for each course. It is the responsibility of the student to promptly notify his or her instructor when unable to attend class. Please refer to the university policy on attendance at <https://www.nwmissouri.edu/policies/academics/Attendance.pdf>

Final exams: If an emergency occurs that prevents the administration of a course scheduled final examination, the final course grades will be calculated based on the work in the course completed to that point in time and the faculty member's considered judgment. Final exams will not be rescheduled, and a grade of "I" will not be given as a result of an institutional cancellation of a final examination. This final exam policy does not apply to online courses.

Administrative drop: An instructor may request the Office of the Registrar delete a student from a course roster if the student has not met the prerequisite for the course as stated in the catalog, or as a result of non-attendance in the course.

Academic integrity policy: The students, faculty, and staff at Northwest endeavor to sustain an environment that values honesty in academic work, that acknowledges the authorized aid provided by and intellectual contributions of others, and that enables equitable student evaluation. Please refer to Northwest Missouri State University's Academic Integrity Policy at <http://www.nwmissouri.edu/policies/academics/Academic-Integrity.pdf>

Non-discrimination and anti-harassment policy: Northwest Missouri State University is committed to maintaining an environment for all faculty, staff, students, and third parties that is free of illegal discrimination and harassment. Please refer to the Non-Discrimination and Anti-Harassment Policy at <http://www.nwmissouri.edu/diversity/titlevi.htm>

Family Education Rights and Privacy Act (FERPA) policy: Family Educational Rights and Privacy Act of 1974, as amended (commonly known as the Buckley Amendment), is a federal law which provides that colleges and universities will maintain the confidentiality of student education records. Please refer to the Family Educational Rights and Privacy Act (FERPA) Policy at <http://www.nwmissouri.edu/policies/academics/Family-Educational-Rights-and-Privacy-Act.pdf>

Disclaimer: Course schedule is subject to change and you will be responsible for abiding by any such changes. Your instructor will notify you of any changes.