ECONOMICS 311: Intermediate Microeconomic Theory
SYLLABUS

Introduction and objectives

Welcome to Economics 311, which examines consumer behavior and demand; the theory of production and costs; and analyzes the ways in which producers and consumers interact in different types of markets. The course also considers the circumstances in which markets may fail to produce efficient outcomes, including when there are externalities, public goods, or asymmetric information. It finishes with an introduction to behavioral economics.

After taking this course, you will be able to
- Explain the fundamental principles and methods of modern microeconomic theory;
- Illustrate the usefulness of these principles and techniques for studying real-world economic problems;
- Evaluate and challenge economic arguments related to microeconomics.

The pre-requisites for this course are EC 101 and EC 102. Economics 311 is required of majors.

Basics

Classes: MWF, 12:00-12:50 p.m., in Donahue 220.
Office: Rosalie Stahl building (73 Tremont St.), room 1014 (on tenth floor).
Office hours: Wednesdays, 2:30-5:00 p.m., Fridays, 9:30-10:45 a.m., or by appointment, or drop by.
Phone: (617) 573 8127.
E-mail: jhaughton@suffolk.edu
Web Page: http://web.cas.suffolk.edu/faculty/jhaughton/

Grading

The grade for the course will be based on the following:
a. Assignments. This is a subject that benefits from doing lots of exercises. There will be ten homework assignments, and they will account for 30% of the total grade. Answers to written assignments should be concise and neatly presented; just imagine that you are producing a memo for your boss. You are free to work together on the assignments in groups of up to two; groups may hand in a single answer sheet, if they so wish. There will be a 20% penalty for each weekday an assignment is handed in late.
b. Presentation. Sometime after the mid-term exam, pick an “example” from the textbook and prepare a 10-minute presentation for the class, going somewhat beyond the treatment in the textbook. We will sprinkle the presentations through the last quarter of the semester. Worth 10% of the grade.
c. Mid-term exam. This will account for 20% of the total grade.
d. Final Exam. This will cover the whole semester, and account for the remaining 40% of the total grade.

Useful Dates

<table>
<thead>
<tr>
<th>Monday</th>
<th>March 7</th>
<th>Review for mid-term exam</th>
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<tbody>
<tr>
<td>Wednesday</td>
<td>March 9</td>
<td>Mid-term exam</td>
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<tr>
<td>Mon-Fri</td>
<td>March 14-18</td>
<td>Spring Break: no classes</td>
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Ec. 311, Syllabus, Spring 2015
Keeping a Journal

Might I encourage you to keep a journal?

At least two or three times a week you should write an entry, which summarizes and comments on relevant articles from newspapers and magazines, or programs on TV; a total of two dozen entries will suffice. Clearly the items you report and discuss should have some relevance to microeconomics. The journal should be handed in by the last day of class.

Here is the incentive. I will grade each journal on a scale of 0 (no journal) through 3 (a thorough, informative, and interesting piece of work). After assigning regular letter grades, I will assign extra credit on the basis of the journals. A good journal (3 points) will raise your grade by a notch - e.g. from A- to A, C+ to B-, etc. Lesser journals will get proportionally less credit.

Notes

I expect academic honesty. That means that you must never present the work of others as if it were your own. The full policy is here: [http://www.suffolk.edu/studenthandbook/19863.php](http://www.suffolk.edu/studenthandbook/19863.php).

This is a four-credit course. On average, you are expected to spend about 12 hours per week working on the course, including class time, the (relatively lengthy) assignments, studying the textbook and other readings, and preparing for exams and the presentation. I expect you to engage consistently in the course throughout the semester.

Resources

From time to time, many students experience stress and anxiety, lack of motivation, or other health problems. Don't hesitate to use the resources of the Counseling Center ([http://www.suffolk.edu/offices/989.html](http://www.suffolk.edu/offices/989.html)) or the Office of Health and Wellness Services ([http://www.suffolk.edu/campuslife/5095.php](http://www.suffolk.edu/campuslife/5095.php)), or encourage a friend to use these resources, if and when the need arises. You can also drop by the offices, which are on the 5th floor of 73 Tremont St. If you have a disability that might require special accommodation, there are details at [http://www.suffolk.edu/disability](http://www.suffolk.edu/disability). There is a useful list of resources available for academic and student support at [http://www.suffolk.edu/explore/54511.php](http://www.suffolk.edu/explore/54511.php), including the Center for Learning and Academic Success, which offers academic coaching and tutoring in mathematics, writing, and English, as well as many courses.

Reading List and Syllabus

The textbook for this course is


The textbook has dozens of interesting examples, and covers the material well, so we will use it extensively. We will also read a few relevant magazine and newspaper items as the opportunity arises. In a few cases we may also refer to examples from Hal Varian, *Intermediate Microeconomics: A Modern Approach* (6th edition), Norton.

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1 Further information on credit hours may be found at [http://cihe.neasc.org/downloads/POLICIES/Pp111_PolicyOnCreditsAndDegrees.pdf](http://cihe.neasc.org/downloads/POLICIES/Pp111_PolicyOnCreditsAndDegrees.pdf)
1. Basics: scarcity, demand and supply
   PR chapters 1 and 2.

2. Deriving Demand Curves: utility and choice theory, budget constraints
   PR chapters 3 and 4

3. Uncertainty (and behavioral economics)
   PR chapter 5

4. Deriving Supply Curves: from production and costs to supply
   PR chapters 6, 7, and 8

5. Perfect Competition
   PR chapter 9

6. General Equilibrium
   PR chapter 16
   Mini-cases: Blockades; transportation costs

7. Market Power: Monopoly, and imperfect competition
   PR chapters 10, 11, and 12
   Mini-cases: Authors vs. publishers; airlines and hubs

8. Game Theory
   PR chapter 13

9. Information
   PR chapter 17
   Mini-case: Improving restaurant hygiene

10. Externalities and public goods
    PR chapter 18
    Mini-case: Are sin taxes too high?