

Economics 207
Intermediate Microeconomics
University of Rochester
Spring 2007
SYLLABUS

Instructor: Çağatay Kayı.

Pre-requisite: Economics 108 (Principles of Economics) is a pre-requisite for this course.

Class Hours: Tuesdays and Thursdays 9:40 a.m. to 10:55 a.m. at Gavett 310.

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Office: Harkness Hall 213.

Office Hours: Tuesdays 11 a.m. - 12 p.m. Otherwise by appointment only. Please e-mail me to arrange a mutually convenient time.

Homepage: <http://troi.cc.rochester.edu/~ckyi/ECO207>

Course Objectives: This course aims to introduce and study the economy from the perspective of individual consumers and producers who interact in a market setting. It shows how their choices influence the production and distribution of goods and services and considers the criteria that can be used to assess these outcomes. Also studies how government intervention can affect the behavior of consumers, producers, and workers and alter market outcomes. This course is designed to provide each student with a basic understanding of microeconomic concepts. It aims to develop each student's ability to think both qualitatively and quantitatively when analyzing economic problems.

Textbook:

- “Price Theory and Applications” by Steve E. Landsburg, Thomson - South Western, Sixth Edition, 2005.
- Other useful reading: “The Armchair Economist” by Steven Landsburg.

Requirements: Evaluation will be based on two midterms (50%) and a final exam (35%). The grades will be adjusted to reflect performance relative to the rest of the class. The final exam is cumulative.

In determining your course grade, the following weights will be used: Quizzes: 15%, Midterm 1 (Feb. 22): 25%, Midterm 2 (Apr. 5): 25%, Final Exam (May. 10): 35%. If a midterm exam is missed for a legitimate reason that has been pre-approved, the midterm will count 35% and the final 50%. Note that if you miss one exam, you cannot miss the other two exams.

The two midterms will be administered during regular class on February 22nd, Thursday and April 5th, Thursday. There will be a final exam on May 10th, Thursday. You are required to take at least one midterm and the final. You may be excused from one midterm because of illness or another pre-approved excuse. There will be **NO** make-up exams without documented medical evidence that should present within one week of the exam. Failure to do so will result in a score of zero on the missed exam. You cannot miss the final. Any conflicts or emergencies that prevent you from taking a midterm must be approved by me in advance of the exam.

There will be 8 problem sets. These problems and the questions in the text are good preparation for exams. You do not need to hand them in but some of these questions will be asked in quizzes. You will have pop-up quizzes in class. There will be 6 quizzes in the semester. You are allowed to skip two quizzes without penalty. If you take more quizzes than required (4 quizzes), those with the two lowest scores will be dropped. Quizzes counts 15 % towards the final grade. After each quiz, the problem sets will be solved in the recitation. The schedule is as follows:

- First day of the class: January 18th, Thursday.
- Add/Drop/Audit Deadline: February 13th, Tuesday.
- First Midterm Exam: February 22nd, Thursday.
- Spring Break: No classes on March 13th, Tuesday and March 15th, Thursday.
- Second Midterm Exam: April 5th, Thursday.
- Last day of the class: May 1st, Tuesday.
- Course withdrawal deadline: May 2nd, Wednesday.
- Final: May 10th, Thursday at 16:00.

Teaching Assistant: To be announced...

Below is a tentative outline for the course. Topics may be added/subtracted as time allows.

Course Outline:

1. Introduction
2. Supply, Demand, and Equilibrium.
 - Reading: Chapter 1.
3. Prices and the Gains from Trade.
 - Reading: Chapter 2.
4. Consumer Behavior.
 - Reading: Chapters 3, 4.
5. Firm Behavior
 - Reading: Chapters 5, 6.
6. Competition
 - Reading: Chapter 7.
7. Welfare Economics
 - Reading: Chapter 8.
8. Knowledge and Information
 - Reading: Chapter 9.
9. Monopoly
 - Reading: Chapter 10.
10. Oligopoly
 - Reading: Chapter 11.
11. Game Theory

- Reading: Chapter 12.

12. Externalities

- Reading: Chapter 13.

13. Public Goods

- Reading: Chapter 14.