

Economics 380
Intermediate Price Theory – Section 3
Fall 2005
MW 1:35-2:50 B060 JFSB

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Office Hours: M 3:00 – 4:30
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Or by appointment

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In 111 FOB

Purpose: Economics 380 is designed to introduce the basic analytical models that underlie modern Microeconomics, and to help develop an understanding of the usefulness of economic models in general. We will examine simple models of consumer choices, producer choices and market equilibrium to see what useful predictions about behavior we can generate with only a few assumptions.

Textbook: W. Nicholson, *Microeconomic Theory*, 9th Ed.

Prerequisites: Econ 110, Math 112 (or equivalent)

Grading: Grades will be based on the following components

Homework	25%
Quizzes	15%
Midterm	20%
Final Exam	35%
Writing Assignment\	
Class Participation	5%

Homework: There will be eleven problem sets assigned throughout the semester. These problem sets will consist of questions from the course text and outside sources, and will be available on Blackboard at least 1 week prior to the due date. Problem sets are due in your T.A.'s box in 130 FOB by 4:45pm of the date indicated on this syllabus. Late assignments will not be accepted. The best nine problem set scores will count toward your final grade. I encourage students to work on problem sets in small groups (up to 4 students) and submit one assignment with all group members listed.

Quizzes: Quizzes will be given at the beginning of certain class periods during the semester. They will usually consist of 2-4 short questions, and unless announced

otherwise have a 10 minute time limit. There will be at least 8 quizzes (there may be more) and the lowest two quiz grades will be dropped. Because of this, make up quizzes will not normally be allowed, except for medical or extreme personal emergencies.

Exams: There will be a midterm exam administered in the testing center which students can take during testing center hours on the dates October 14-15th and 17th-18th. There is no fee for taking the test on the last day. A comprehensive final exam will be held in the classroom on Tuesday December 13th from 3:00 to 6:00 pm. Both exams will have a three hour time limit and are closed book, note and neighbor. Warning: exams are not like quizzes in format or content. Quizzes are designed to test conceptual comprehension of class material while exams focus much more heavily on problem solving abilities and ability to apply knowledge to unfamiliar problems. It is advisable to carefully review the past exams on Blackboard to become familiar with the type of questions they contain.

Writing Assignment: All students will submit a 2-3 page typed double spaced report on or before Monday October 31st. Writing assignments may not be done in groups. Students may choose either of the following options to complete this requirement.

1. Choose a newspaper or magazine article that you feel shows flawed or incomplete economic reasoning. After citing and introducing the article briefly explain the author's economic reasoning and why you consider it flawed. Be sure to appeal to economic models we have studied in class in constructing a short counter-argument on the issue.
2. Choose an article from the Journal of Economic Perspectives (available in both paper and electronic form through the Library). After reading the article summarize its basic premise and economic reasoning. Also explain how the author uses economic principles we have studied in structuring his argument. Finally, briefly explain your thoughts of the basic ideas discussed in the paper.

Participation: Though I do not take roll I expect students to attend class and be active participants. Many of the questions on exams will be similar to problem set questions or questions used as class examples.

Policies:

1. Grading appeals – We attempt to grade all problem sets and exams on a consistent and fair manner. It is inevitable that students will sometimes feel that a problem has been graded in a manner that slightly penalizes them. I find that usually, that same student has benefit from generous grading on other portions of the assignment. If you wish to appeal the way we have graded an assignment or test, be aware that we usually re-grade the entire assignment/test to make sure that we have not made errors in either direction. Also, grading appeals must be made in writing.

2. Honor Code Standards - In keeping with the principles of the BYU Honor Code, students are expected to be honest in all of their academic work. Academic honesty means, most fundamentally, that any work you present as your own must in fact be your

own work and not that of another. Violations of this principle may result in a failing grade in the course and additional disciplinary action by the university.

Students are also expected to adhere to the Dress and Grooming Standards. Adherence demonstrates respect for yourself and others and ensures an effective learning and working environment. It is the university's expectation, and my own expectation in class, that each student will abide by all Honor Code standards. Please call the Honor Code Office at 422-2847 or consult www.byu.edu/honorcode if you have questions about those standards.

3. Preventing Sexual Discrimination or Harassment - Sexual discrimination or harassment (including student-to-student harassment) is prohibited both by the law and by Brigham Young University policy. If you feel you are being subjected to sexual discrimination or harassment, please bring your concerns to the professor. Alternatively, you may lodge a complaint with the Equal Employment Office (D-240C ASB) or with the Honor Code Office (4440).

4. Students with Disabilities - If you have a disability that may affect your performance in this course, you should get in touch with the office of Services for Students with Disabilities (1520 WSC). This office can evaluate your disability and assist the professor in arranging for reasonable accommodations.

5. Disclaimer - This syllabus is a set of guidelines. It does not constitute a contract. I reserve the right to modify scheduling, content, grading policies, and assignments.

Course Outline

Date	Day	Topic	Nicholson Reading		Due
Aug 29	M	Introduction	Ch 1	p3-10	
31	W	Calculus Review	Ch 2	p20-40	
Sept 5	M	LABOR DAY – NO CLASS			
7	W	Math/Preferences/Utility	Ch 3	p69-79	
12	M	Utility Functions	Ch 3	p80-88	PSET 1
14	W	Budget Sets/Utility Maximization	Ch 4	p94-105	
19	M	Indirect Utility/Expenditure Functions	Ch 4	p106-112	PSET 2
21	W	Consumer Theory Schema	Ch 5	p158	
26	M	Duality, Demand Functions	Ch 5	p121-3	
28	W	Demand: Income and Substitution	Ch 5	p123-135	PSET 3
Oct 3	M	Income and Substitution	Ch 5	p135-138	
5	W	Complements and Substitutes	Ch 6	p161-167	PSET 4
10	M	Demand and Elasticity Rules	Ch 5	P139-149	
12	W	Labor-Leisure model	Ch 16	p477-484	PSET5
14-18		MIDTERM - Testing Center*			
17	M	EXAM – NO CLASS			
19	W	Firms: Technology	Ch 7	p183-190	
24	M	Production Functions/ Growth	Ch 7	p191-203	
26	W	Firms: Cost Functions	Ch 8	p212-225	PSET6
31	M	Firms: Cost Functions	Ch 8	p226-241	Paper
Nov 2	W	Firms: Profit Maximization	Ch 9	p248-259	PSET7
7	M	Firms: Profit Maximization	Ch 9	p260-264	
9	W	Factor Demands	Ch 9	p265-270	PSET8
14	M	Factor Demand Applications			
16	W	Partial Equilibrium	Ch 10	p279-295	PSET9
21	M	PE – Perfect Competition	Ch 10	p295-309	
23	W	THANKSGIVING BREAK – NO CLASS			
28	M	PE – Monopoly	Ch 13	p385-395	
30	W	PE – Monopoly	Ch 13	p396-408	PSET10
Dec 5	M	Welfare Issues/Cost-Benefit Analysis	Ch 11	p317-330	
7	W	Review /Conclusion	Ch 11		PSET11*
13		FINAL EXAM – 3-6pm in B060 JFSB			

* Problem Set 11 will be due on Thursday December 8th.