**Course Description:**
Contemporary intermediate treatment of microeconomic theory, applications, and price policy. Covers the theory of price determination, resource allocation, income distribution, and welfare economics. Perfectly competitive markets and models of imperfect competition are covered. Theory is integrated with public policy questions.

**Prerequisites:** ECO231 Principles of Microeconomics, ECO232 Principles of Macroeconomics, ECO300 Mathematical Economics, or permission of the instructor

**Course Credits:** 3

**Course Objectives:**
In addition to the unit-specific learning objectives listed below, there are several broader objectives for this course. Upon completing the course, students will be able to:

1. Define and apply key economic terminology.
2. Evaluate and interpret graphical representations of economic theory.

**Required Web Access (includes text):** *Intermediate Microeconomics and Its Application* by Nicholson and Snyder, 12th Edition with Mindtap

**Communication Plan:** Here are my expectations for electronic communication:
- Please use email when the subject is of a personal and confidential matter. If the question you ask is of a nature that even one other person in the course could benefit from the answer, post the question in the appropriate discussion board forum.
- I check my email daily Monday through Friday during normal business hours. You can expect a reply from me via email within 24 hours during the work week. You may get an email reply during the weekend, but that would be an exception not the rule.
- I will also check the discussion forums daily during the work week. I will post often during the first weeks of the course and then drop off in activity while expecting participants to fill any void. Rest assured however, I will be participating in what I hope will be lively discussions and will always reply to any discussion comment directed specifically at me.
- I am not an instructor who sends email to my students when they submit an assignment. If you do not hear from me after submitting work, consider it a good thing.

**Time Considerations:** Students should be prepared to spend a minimum of 10 hours a week on reading and on course assignments. While you may feel that I’m displaying a lot of information to you on a weekly basis remember that in a traditional “live” course you would be coming to class for 3 hours per week for 15 weeks and then spending an additional 6 hours (at least) per week outside of class on assignments and reading. In our online course environment my expectation is that you will be spending those “class hours” on your own, working on the concepts that you would usually get in a live lecture. Please be sure to budget your time accordingly!

**Grade Calculation:**

<table>
<thead>
<tr>
<th>Assignment</th>
<th>20%</th>
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<tr>
<td>Quizzes</td>
<td>20%</td>
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Two Exams (midterm and final) | 30% each

- **No make-up quizzes will be offered** but your lowest quiz score will be excluded from your grade calculation.
- **No late assignments will be accepted** but your lowest assignment score will be excluded from your grade calculation.
- This is NOT a self-paced course. Please stay current with the work for the course and do not work ahead of the schedule detailed in myCourses.
- There is no extra credit available for this class.

Course Outline:

**Week 1**

I. **Review of Basic Concepts**: Math review, review of economic analysis, demand, supply, elasticity, consumer and producer surplus, and government intervention into markets

**Required Reading/Viewing:**
- Math Intro Lecture
- MRS Practice Problems
- Read Chapter 1
- Chapter 1 Lecture
- Review of Basic Concepts Lecture
- Welfare Analysis and Review of Government Intervention Lecture
- Help with Elasticity Lecture

**Graded work:**
- Introductory Discussion Board
- Introduction to Using Aplia Assignments
- Math and Graphing Assessment with Tutorials
- Ch 1 Assignment – Economic Models
- Chapter 1 Quiz in myCourses

**Unit Learning Outcomes**

After completing this unit, students should be able to:
- Distinguish between endogenous and exogenous variables.
- Interpret demand and supply functions and solve for market equilibrium graphically and mathematically.

**Week 2**

II. **Consumer Theory**: Consumer preferences and utility functions, indifference curves, marginal rate of substitution, budget constraints and optimal choice, Engel curve, substitution and income effects, market demand, elasticity.

**Required Reading/Viewing:**
- Read Chapter 2
- Consumer Preferences Lecture
- Consumer Choice Lecture
- Constrained Utility Maximization Video
- Read Chapter 3
- Individual Demand to Market Demand Lecture
- Substitution and Income Effects Video
- Substitution and Income Effects Practice Graphs

**Graded work:**
- Ch 2 Assignment – Utility and Choice
- Ch 2 Quiz
- Ch 3 Assignment – Demand Curves
- Ch 3 Quiz
- Midterm

**Unit Learning Outcomes**
After completing this unit, students should be able to:
- Explain the principles of indifference curves.
- Derive the marginal rate of substitution between two goods from a utility function.
- Compute the consumer's optimal choice from a utility function.
- Derive consumer demand from a utility function.
- Graphically and mathematically use a decomposition budget line to disentangle the substitution effect and the income effect.
- Compute and explain various demand elasticities from a demand function.

### Week 3

#### III. Production and Cost Theory:
Production functions and returns to scale, isoquants, and marginal rate of technical substitution; cost concepts, isocost lines, expansion path, and cost minimization; review of long and short run cost curves, economies of scale and scope.

**Required Reading/Viewing:**
- Read Chapter 6
- Intro to Production Theory Lecture
- Comparison between Cons Theory and Prod Theory Lecture
- Production Function and Isoquants Video
- Read Chapter 7
- Cost Overview Lecture
- Long Run Cost Lecture

**Graded work:**
- Ch 6 Assignment – Production
- Ch 7 Assignment – Costs
- Week 3 Quiz

### Unit Learning Outcomes
After completing this unit, students should be able to:
- Derive input demand functions from a production function.
- Define and evaluate returns to scale from a production function.
- Solve a production function for the cost minimizing combination of inputs.
- Explain and compute the elasticity of substitution.
- Derive cost functions from a production function.

### Week 4

#### IV. Perfectly Competitive Markets:
Characteristics of perfectly competitive markets, economic profit, marginal revenue, short and long run competitive equilibria, constant-, increasing- and decreasing- cost industries

**Required Reading/Viewing:**
- Read Chapter 8
- Read Chapter 9
- Competitive Markets Lecture

**Graded work:**
- Ch 8 Assignment – Profit Maximization and Supply
- Ch 9 Assignment – Perfect Competition in a Single Market
- Week 4 Quiz

### Unit Learning Outcomes
After completing this unit, students should be able to:
- Compute and describe the cost values and supply decisions by firms in perfectly competitive markets.
- Define, graph, compute, and evaluate the welfare effects of various government policies on competitive markets.

Please see the [Omnibus Language for Syllabi](#) for important university policies and support information.