

Warm Welcome to: Econ 80A – 2 Microeconomic Theory

Summer Session 1: June 1st – July 3rd 2020

Class meeting times: M,T,Th. 8:30 am – 10:00am

Draft Course Syllabus – May 12th 2020 (last updated)



Contact Details

Instructor: Karen Smith

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Office Hours

M, Th. 11:00 am – 12:00pm &

By appointment, all via Zoom

Zoom Link to all Classes: *****

Course Description

This course takes a very interactive, application-based approach to understanding Microeconomic Theory. Your journey will begin with interpretation of the significance of decision-making by (1) individuals, (2) firms, and (3) the interaction of these agents in the marketplace. This course will equip you with rigorous foundational analytical tools required to model these three components of Microeconomic Theory. You will be guided through a sequential approach beginning with an exploration and construction of consumer preferences and utility functions, followed by a consideration of firms and production functions, and ending with an analysis of market-clearing conditions. All of this would be taught with emphasis on *'bringing the theory to life'* so be prepared to develop and assert your research and policy-making skills!

Microeconomic Theory is an essential tool for all students interested in exploring Economics and Economic decision making in their future academic career. It promises to not only sharpen your analytical skills, but provide you with a sound frame of reference to understand and incorporate many other aspects of Economic Theory.

By the end of this course, you will be able to:

1.	Construct consumer demand functions from preference and income parameters
2.	Construct producer supply functions from technology parameters
3.	Solve constrained optimization problems
4.	Interpret partial equilibrium models
5.	Analyze perfect and imperfect markets
6.	Describe how producers with market power determine prices and quantities
7.	Illustrate and evaluate general equilibrium issues through the Edgeworth Box diagram

Teaching/learning strategies

This course will integrate employ **both synchronous and asynchronous** learning strategies. Course material will be presented asynchronously, whilst class times would be utilized to apply, analyze and evaluate the material taught. There is a **huge premium** on application of the concepts taught in this course, so much emphasis is placed on original real-world application of the material by students. For example, use of interactive student-made videos, books, web/Latte pages etc. will be incorporated into this learning experience to make it as rich, dynamic and diverse as possible.

Class preparation time

To get the most out of this class, I expect students will review all asynchronous lectures prior to attending synchronous session. This will not only put you in a strong position to excel in this course but will enable you to ask more relevant questions about the theory and applications. This course requires a minimum of 3 hours out of class preparing (readings, papers, online discussions, studying for quizzes/tests, etc.) for each hour of class meeting time.]

Prerequisites

- Math requirement: You **MUST** have either (a) successfully completed Math 10A (C- or higher), (b) attained at least a 4 on the AP Math AB test, (c) received at least a 3 on the AP Math BC test, or (d) passed the calculus placement exam that is administered by the Economics Department.
- Economics requirements: You must have either (a) taken Econ 10A, or (b) taken Econ 2A and received a B+ or higher.

Course Requirements

Academic Integrity

Every member of the University community is expected to maintain the highest standards of academic integrity. A student shall not submit work that is falsified or is not the result of the student's own effort. Infringement of academic honesty by a student subjects that student to serious penalties, which may include failure on the assignment, failure in the course, suspension from the University or other sanctions (see section 20 of R&R). Please consult Brandeis University Rights and Responsibilities for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. A student who is in doubt regarding standards of academic honesty as they apply to a specific course or assignment should consult the faculty member responsible for that course or assignment before submitting the work. Allegations of alleged academic dishonesty will be forwarded to the Department of Student Rights and Community Standards. Citation and research assistance can be found at [Brandeis Library Guides - Citing Sources \(https://guides.library.brandeis.edu/c.php?g=301723\)](https://guides.library.brandeis.edu/c.php?g=301723).

Assignments

Percent	Assignment and Description	Learning Outcome Met	Due Date
15%	Problem Sets/Online Quizzes on asynchronous material presented	All of the above	Weekly
25%	Mid-Semester Presentation: Micro Theory in Action I: Analysis of an assigned Reading and translation by student into a Presentation, book or interactive session (more articles to come) <ol style="list-style-type: none">1. Brooks, David "The structures of Growth - Learning is no easy task" NYT June 2014 article2. Thiel, Peter. "Competition is for losers". The Wall Street Journal September 13 20143. Ozinek, Adam, "Will Big Data Bring More Price Discrimination?" Forbes Sept. 1 20034. "Cartels: Just One more Fix" The Economist March 29th 2014	1 - 3	Week 3

35%	End of Course Presentation Micro Theory in Action II: Outline of a research proposal on Microeconomic Theory applied in an international context or application of Microeconomic Theory applied to a real-life issue, in an international context. Either choice to be submitted with writeup and pre-recorded presentation and/or online book/page.	4 - 7	Week 5
25%	Reflection (After each class): Diverse formats: <ul style="list-style-type: none"> • Weekly posts on understanding and possible application of material covered • Topic specific student-led/pre-recorded 20-minute presentations in the form of video or books/pages with ensuing discussions 	All of the above	Weekly
BONUS MARKS FOR POSTING INTRODUCTORY VIDEO BY FIRST CLASS (VOICETHREAD.com) (instructions to follow)			

Due to the schedule of this course (5 weeks) no late assignments will be accepted.

Participation

During synchronous delivery, please minimize all background noise as this would reduce the quality of the learning experience for others. **You are expected to attend classes, complete assigned readings, prepare for class discussions and raise questions as soon as ideas become unclear (either in class or via online communications between classes), listening actively and attentively, responding thoughtfully and constructively to the comments made by other class members, reading and responding to course-related e-mails and posts.**

Accommodations

Brandeis seeks to welcome and include all students. If you are a student who needs accommodations as outlined in an accommodations letter, I want to support you. In order to provide test accommodations, I need the letter more than 48 hours in advance. I want to provide your accommodations, but cannot do so retroactively. If you have questions about documenting a disability or requesting accommodations, please contact [Student Accessibility Support](mailto:Student_Accessibility_Support) (SAS <https://www.brandeis.edu/accessibility/>) at 781.736.3470 or access@brandeis.edu.

Required Readings / Optional Readings

Textbook: Goolsbee, Levitt, and Syverson, *Microeconomics*, (Worth Publishers, 2012). **An online edition of this text will be made available through the Brandeis Library, so no need to purchase the text.**

Student Support

Brandeis University is committed to supporting all our students so they can thrive. The following resources are available to help with the many academic and non-academic factors that contribute to student success (finances, health, food supply, housing, mental health counseling, academic advising, physical and social activities, etc.). Please explore the many links on this [Support at Brandeis](https://www.brandeis.edu/support/undergraduate-students/browse.html) page (<https://www.brandeis.edu/support/undergraduate-students/browse.html>) to find out more about the resources that Brandeis provides to help you and your classmates to achieve success.

Course Plan

Please include dates for exams, homework assignments, papers, projects and presentations. It is important to inform students if a final exam during the final exam period will be required. The exact date and time of the final exam is determined by the Registrar's office within a few weeks of the end of registration for the term.

Course Plan (Subject to Change)		
Topic:	Required Reading:	Additional Readings:
<ul style="list-style-type: none"> Introduction to the course, a discussion of markets, and review of concepts. 	<ul style="list-style-type: none"> Read: GLS, Chapter 1 	<ul style="list-style-type: none"> Brooks, David. "The Structures of Growth - Learning Is No Easy Task." The New York Times. June 16, 2014.
<p>Supply and Demand I:</p> <ul style="list-style-type: none"> Review of elasticities, cross price elasticities. Using demand and supply curves. 	<ul style="list-style-type: none"> Read: GLS, Chapters 2 and 3. 	
<p>Supply and Demand II: Consumer and Producer Surplus, Government Interventions</p>		
Math Bootcamp: Review of Calculus Concepts use in Later part of Course		
<p>Consumer Demand I:</p> <ul style="list-style-type: none"> Review of elasticities, cross price elasticities. Using demand and supply curves. 	<ul style="list-style-type: none"> Read: GLS, Chapters 4 and 5. 	
<p>Consumer Demand II:</p> <ul style="list-style-type: none"> Review of elasticities, cross price elasticities. Using demand and supply curves. 		
<p>Supply Side Theory and Firm Decision Theory</p> <ul style="list-style-type: none"> Production functions, iso-cost lines, production with 1 input, 2 inputs 	<ul style="list-style-type: none"> Read GLS chapter 6 	
<p>Costs</p> <ul style="list-style-type: none"> Brief review of production economics and profit maximization. Cost Concepts: fixed, variable and sunk; total average, and marginal cost in the short run etc. 	<ul style="list-style-type: none"> Read GLS chapter 7 	
<p>Perfect competition and Monopoly</p> <ul style="list-style-type: none"> The firm's problem. Assumptions of perfect competition. Where supply curves come from. Introduction to monopoly 	<ul style="list-style-type: none"> Read GLS chapters 8 and 9 	

<p>Market Power – Monopoly and Monopsony</p> <ul style="list-style-type: none"> Markets with only one firm. 		<ul style="list-style-type: none"> Reading: Thiel, Peter. “Competition is for Losers.” The Wall Street Journal, September 13, 2014.
<p>Price Discrimination</p> <ul style="list-style-type: none"> Non-uniform pricing strategies for firms with monopoly power 	<ul style="list-style-type: none"> Read GLS chapter 10 	
<p>Price Discrimination II</p> <ul style="list-style-type: none"> Non-uniform pricing strategies for firms with monopoly power 	<ul style="list-style-type: none"> Read GLS chapter 10 	<ul style="list-style-type: none"> Read: Ozinek, Adam, Will Big Data Bring More Price Discrimination? Forbes. September 1, 2013
<p>Oligopoly I</p> <ul style="list-style-type: none"> Markets with few firms. Quantity Setting. Price Setting. Sequential v. simultaneous actions 	<ul style="list-style-type: none"> Read GLS chapter 11 	<ul style="list-style-type: none">
<p>Oligopoly II</p> <ul style="list-style-type: none"> Markets with few firms. Quantity Setting. Price Setting. Sequential v. simultaneous actions 		
<p>Collusion and Game Theory</p>	<ul style="list-style-type: none"> Read GLS Chapter 12 	<ul style="list-style-type: none"> Read: Cartels: Just One More Fix. The Economist. March 29, 2014
<p>Discounting</p>	<ul style="list-style-type: none"> Read GLS, Chapter 14 (Chapter 13 if you are using the 1st edition) 	<ul style="list-style-type: none">
<p>Choice Under Uncertainty</p> <ul style="list-style-type: none"> Expected Values. Preferences towards risk: risk aversion, risk neutrality, risk loving behaviour 		
<p>General Equilibrium and Economic Efficiency I</p> <ul style="list-style-type: none"> Cross-Market Effects 	<ul style="list-style-type: none"> Read: GLS Chapter 14 (Ch. 14 if you have the first edition) 	
<p>General Equilibrium and Economic Efficiency II</p> <ul style="list-style-type: none"> The Edgeworth Box. Equity and efficiency. Efficiency in production. Efficiency of competitive markets 	<ul style="list-style-type: none"> Read: GLS Chapter 14 (Ch. 14 if you have the first edition) 	<ul style="list-style-type: none"> Read: Edsall, Thoma. “Just Right Inequality” The New York Times. Mar 4, 2014 Mankiw, Gregory. “When a Scientist is Also a Philosopher.” The New York