

North Carolina State University  
Department of Economics  
EC 301: Intermediate Microeconomics  
Spring 2012, Section 3  
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#### Course Outline

Text: Pindyck, R.S., and Rubinfeld, D.L., *Microeconomics*, 7th Student Value Edition with MyEconLab access, Prentice Hall, 2009. Note that an alternative to the print text is the online version but it may cost a little more than the value edition. **Instructions for registering with MyEconLab will be provided in class. Make sure that you register under your first and not under your middle name. Registering under your middle name changes the order of names and scores when I download them and it does not match the order in the official NCSU roster.** I assume you do not want to get someone else's low grade...

Course Theme: Students take courses in Economics primarily for two reasons. First, they want to learn "how the world works" from an Economics perspective. Second, they want to learn what economic policy prescriptions are recommended as remedy for social problems. Both of these are very ambitious goals. We will be more modest in our aims. We will confront the basic models of the consumer, the firm, and the market, get some familiarity with these models, and try to develop some facility in adapting these models to applied situations. The course is really about modeling. When you feel comfortable applying these models to real world situations, you will have begun to "think like an economist".

Attendance: Regular attendance is **essential**. **If you miss a class, it is your responsibility to get the lecture notes from one of your classmates. The instructor does not provide class notes on an individual basis.**

Study Suggestions: Coverage of the material in class will be as thorough as possible, and will stress all topics in an integrated way. However, exam questions may also be taken from material not covered in class but covered in the textbook. Therefore, studying should be based on both the class notes and the book. In addition, it is **very important** to work problems related to the material developed in both the textbook and the lectures. Only in this way do you really learn the material. Answers to selected exercises may be provided in class. Sample exams can be downloaded from the course Web page: <http://ec301.tsoulouhas.info>. **Study groups are strongly encouraged.**

#### Useful Web Sites

Start from my home page <http://tsoulouhas.info> and click on the link to "**EC 301: Intermediate Microeconomics**" to go to the course page. Alternatively, you can go directly to the course page through <http://ec301.tsoulouhas.info>. The course page contains a wealth of study resources. I urge you to familiarize yourself with these resources and use them regularly.

Tentative Course Grading Procedure: The grading procedure for the course is as follows:

|                 |                                       |
|-----------------|---------------------------------------|
| Homework:       | 10% (graded online through myEconLab) |
| First midterm:  | 25%                                   |
| Second midterm: | 25%                                   |
| Final:          | 40%                                   |

**The final exam is a cumulative exam.** You can check your final grades on the Web: [http://www2.ncsu.edu/ncsu/reg\\_records](http://www2.ncsu.edu/ncsu/reg_records).

Homework Policy: **Late homework (i.e., after I give or release the answers to the homework questions) will not be accepted.** Prior to that, late homework will only count for 80%. You may be excused from a homework assignment due to an excused and documented absence.

Exam Policy: There will be **no make-ups** for the class exams. If you must be absent and you

arrange **ahead of time**, then you may be excused from a midterm exam, in which case, the weight for the remaining exams will be readjusted. **This must be arranged in advance; otherwise the exam will be scored as a zero.** For the final exam, make-ups **will not** be allowed except in accordance with the University rules. **Exam scores will be provided in class. Exam scores will not be provided individually by email.**

Academic Integrity: The Honor Pledge, “I have neither given nor received unauthorized aid on this exam” is to be written on all exams. Please review the Code of Student Conduct if you are not familiar with the policy on academic integrity. You can review the Code on the Web: [http://www.ncsu.edu/policies/student\\_services/student\\_discipline/POL11.35.1.php](http://www.ncsu.edu/policies/student_services/student_discipline/POL11.35.1.php)

### Tentative Lecture Topics and Readings

This is a tentative list of topics and a tentative schedule! **Exams may be earlier or later than the tentative dates!** Precise exam dates will be announced in class or by e-mail. **Make sure you check your unity e-mail account regularly for exam announcements and other e-mail.**

# of classes (based on a Tuesday-Thursday schedule)

- 2        **Introduction** (Ch. 1).
- 2        **The Basics of Supply and Demand** (Ch. 2).
- 3        **The Theory of Consumer Behavior:** Preferences, Budget Constraint, Consumer Choice, The Concept of Utility (Ch. 3: 3.1-3.5).
- 3        **Individual and Market Demand:** Individual Demand, Income and Substitution Effects, Market Demand, Consumer Surplus, Algebraic Treatment of Demand Theory (Ch. 4: 4.1-4.5, Appendix).
- 1        **Choice Under Uncertainty:** Risk, Preferences Toward Risk (Ch. 5: 5.1- 5.3, 17.1-17.5).
- 1        **Review.**
  
- 1        **FIRST HOURLY EXAM** (Bring your calculator and pencils with you.)
  
- 1        **Production Theory:** Technology, Isoquants, Production with One Variable Input, Production with Two Variable Inputs, Returns to Scale (Ch. 6).
- 2        **Cost Theory:** Measuring Costs, Costs in the Short-Run, Costs in the Long-Run, Long-Run vs Short-Run Cost Curves (Ch. 7: 7.1-7.5).
- 2        **Perfect Competition** (Ch. 8).
- 1        **Social Welfare in Perfect Competition** (Ch. 9: 9.1-9.4, 9.6).
- 1        **Monopoly** (Ch. 10: 10.1-10.4,10.7).
- 1        **Pricing with Market Power, or Capturing Surplus** (Ch. 11: 11.1-11.2).
- 1        **Review.**
  
- 1        **SECOND HOURLY EXAM** (Bring your calculator and pencils with you.)
  
- 2        **Monopolistic Competition and Oligopoly** (Ch.12, Ch.13:13.1-13.4,13.6-13.7).
- 1        **Game Theory and Strategic Behavior** (Ch. 13.1-13.6).
- 1        **Auctions** (Ch. 13.8).
- 2        **Markets for Factor Inputs** (Ch. 14: 14.1-14.2).
- 2        **General Equilibrium and Economic Efficiency** (Ch. 16: 16.1-16.4,16.7).
- 1        **Review.**
  
- 1        **FINAL EXAM** (Bring your calculator and pencils with you.)