UNIVERSITY OF CALIFORNIA, SAN DIEGO

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DEPARTMENT OF ECONOMICS
ECON 100B: INTERMEDIATE MICROECONOMIC THEORY II

LOCATION: CENTR 119
TIME: TUESDAYS & THURSDAYS, 5:00PM-6:20PM (A00) & 6:30-7:50PM (B00)

FALL QUARTER 2017
SYLLABUS

Instructor: Dr. Steve Levkoff, PhD, CAP®
E-mail: slevkoff@ucsd.edu
Instructor Webpage: http://stevelevkoff.com
Course Webpage: http://ted.ucsd.edu
Office: Economics Building, Room 112
Office Hours: T/Th 2:15-3:15pm, open door, and by appointment

Course Description: This is the second course in the intermediate micro theory sequence. While the first part (100A) of the sequence analyzed *consumer behavior*, emphasis in this course will be placed on the analysis of *producer behavior* and competitive market interaction in a general equilibrium framework. Topics include technology and cost, profit maximization, competitive supply, and general equilibrium analysis.

Prerequisites: In order to be enrolled in this course, you should have satisfactorily completed ECON 100A or ECON 170A, and ECON 1. Also, you should have taken some course in multivariate calculus or optimization (MATH 10C, MATH 20C, or MATH 21C) and be comfortable with basic integration and differentiation. Supplemental review materials for the mathematics required will be provided on TED and in the readings below.

Readings:
   Required:
- [1] Intermediate Microeconomics with Calculus: A Modern Approach, Hal R. Varian, (Any edition is fine). The UCSD custom edition can be purchased at the bookstore and can also be found on reserve at the library, but you should already have this text from earlier parts of the ECON 100 sequence.
   Alternatives and Supplements:

- [2] Microeconomics: Theory and Applications with Calculus, Jeffrey M. Perloff, 3rd Edition (any edition will suffice).
- [3] Introduction to Economic Analysis, by Preston McAfee. This text is free online at http://www.mcafee.cc/Introecon/IEA.pdf. Good text to supplement with lecture material. (Did I mention free?)
- [4] Martin Osborne's Intermediate Mathematics Tutorial: http://www.economics.utoronto.ca/osborne/MathTutorial/index.html. This is suggested if you feel that your mathematics are "rusty."
- [5] Mark Machina's ECON 100ABC Mathematics Handout (on TED). This handout is a mathematical survival guide to optimization in intermediate microeconomic theory.
- [6] Intermediate Micro Videos (IMVH) on TED (see reading list on schedule at end of syllabus)
- [7] Additional supplemental materials may be found online (TED)

Discussion Sections:

Location: CSB 002
Mondays: 6:00-6:50PM & 7:00-7:50PM
Fridays: 4:00pm-4:50pm & 5:00pm-5:50pm

Teaching Assistants: Dodge Cahan (dcahan@ucsd.edu), Yuehui Wang (yuw263@ucsd.edu), David Lee (dal002@ucsd.edu), Xiameng Hua (x5hua@ucsd.edu)

See TA Info. Sheet on TED for TA office hour information.

PSET Lab: Learn to solve problems on you own! The Economics Department is making a problem solving and tutoring center available to all students in intermediate microeconomics (100ABC) on M-TH evenings and on the weekend in ECON 200. (Specific hours for PSET will be posted on the Department web page and on TED for this course). The ability to apply the concepts from class to solve problems is the most important skill we want you master in our core classes. PSET is designed to help you learn to tackle problems successfully by having grad and undergrad TAs there to help you think through a problem—right when you get stuck. If you struggle to tackle your homework, we believe that PSET will be an efficient and effective way for you to learn how to think like an economist. Note that ALL Graduate TA office hours will be held in the PSET lab in ECON 200 *except* during weeks when exams take place (see the exam schedule) below during which office hours will take place in your respective grad TA's office (undergrad TAs will hold all office hours in the PSET labs).

Honors Section 100BH: If you did well in ECON 100A, then you should consider enrolling in the honors section of ECON 100B. The only requirement to enroll is to be concurrently enrolled in ECON 100B (which you all fulfill). The honors section doesn't involve any exams, projects, or papers and provides for a much tighter learning environment where you will work closely with the professor to study a recent paper and present it to the honors class. If you are interested in graduate school of any type, the kind of one-on-one interaction afforded by the honors course is a must if you are interested in a solid recommendation.

Homework: While not a formal part of the course grade, problem sets will play a crucial role in developing your problem solving skills and should be taken *very seriously*. In the past, it has often been the case (and is no secret if you look at my course evaluations online) that students putting the most effort into the problem sets tend to perform best on the exams because *the problem sets tend to be much more difficult than exams*. Problem sets will be assigned regularly via TED. You are encouraged to work together to solve problem sets and to email the TAs.

TED Access (course webpage): It is your responsibility to make sure you are enrolled in the online course (TED) and to routinely check it and your email for announcements and to access newly distributed material. You can email ITS@ucsd.edu to get TED access for the course if you have added late. CC the instructor of the course (slevkoff@ucsd.edu) in the email to expedite approval.

Examinations: There will be two midterms (given at about the 1/3 and 2/3 of the way through the quarter) and a final examination. The registrar has scheduled the final exam - you can view the official final exam schedule at the bookstore's website: https://act.ucsd.edu/scheduleOfClasses/scheduleOfClassesStudent.htm. Please monitor this routinely for any schedule changes. All exams are cumulative (but not necessarily uniformly so).

Grading:

Midterm Exam 1	25%
Midterm Exam 2	35%
Final Exam	40%
Total	100%

The course is graded on a relative curve (as is any college course). In particular, students will all be ranked from highest to lowest course score according to your final course grade calculated from the raw exam score weighting above. Letter grade assignments will depend on your percentile ranking in the class and a subjective assessment by the instructor in borderline cases (say, if there was marked improvement).

In the past, a student could typically guarantee themselves an A by ranking in the top 25% of students in the course and a B by ranking in the top 60%.

Some students feel that the grading scheme is risky in the sense that you have only 3 opportunities to prove yourself, so I will add the following "buffer" because I understand that sometimes people may have a bad midterm exam sitting: Since the final exam is cumulative, if you score a solid A on the final exam, (and ONLY a solid A), I will give you an A in the course and disregard your midterm grades (provided you've taken ALL of the midterms). I reserve the right to revoke this policy at any time for any reason.

Midterm Exam Re-grade Policy: It should be known that there may be some questions on the exams that have no right or wrong answer, so how credit is awarded depends crucially on *how* you defended your answer. Accordingly, there is a *BIG* difference between an answer being a *technically correct answer* and an answer being **the best answer**. In these cases, credit is awarded (according to the grading rubric) for how close your answer comes to being the *best answer*. That is, an answer, while being technically correct, may not necessarily have been the best answer and hence, wouldn't necessarily receive full credit despite technical correctness.

After your exams are graded, your TA's will allow you *to see* your exam in either discussion or their office hours. If you find that there was a minor grading issue (ie: points were <u>added</u> <u>up</u> incorrectly), let us know and we will remunerate accordingly. If there is a major issue (ie: you don't think points were <u>awarded</u> correctly according to the grading rubric), DO NOT remove the exam from the TA's possession – leave it with your TA with a note on the front cover regarding the specifics of the re-grade request.

If your request for a re-grade is granted, the ENTIRE exam will be regarded (not just the part in question) and this could possibly result in higher OR lower scores. *Once you take the exam from the TA's possession, it can no longer qualify for a re-grade.* You have <u>one week</u> from the announcement of the grade distribution to resolve grading issues. Otherwise, grades are NON-NEGOTIABLE and any requests that are determined to be *excessive* in scope may warrant further point deductions unless sound arguments are used to justify the request. The instructor and TAs reserve the right to refuse any request believed to be *excessive*.

Absences & Attendance: Any exam or quiz missed for a *legitimate, university approved* reason may be made up at the discretion of the instructor (this may include an oral evaluation as an alternative to taking a written exam or a re-weighting of the exams in the grade calculation shown above). You will receive a zero on any exam or quiz missed without a legitimate reason.

Supplemental Material & Slides: Throughout the course, the instructor may post supplemental readings and slides via TED. These materials are meant to be used in addition to the lecture and are not to be used as a substitute for going to lecture or reading the textbook. The instructor reserves the right to remove access to this material if he feels that it has adversely affected attendance in the lecture.

Classroom Decorum & Email: To avoid distracting others in the classroom, please arrive on time and do not leave early unless given prior permission. When class is in session,

please respect others in the room and refrain from sending or receiving phone calls, pages, or text messages. Please be sure audible signals are turned off before class begins. Please restrict the use of email to the minimally necessary volume and put your full name at the end of email messages and the course name and number in the subject heading. Email questions regarding *how to do a particular homework problem* should be <u>first</u> directed to your TAs. If you can't make it to office hours, you can also email specific homework questions to your TAs who will respond to your query Questions regarding course policies will be directed to the syllabus (if applicable). All other general questions are welcome!

Statement of Academic Integrity: Integrity of scholarship is essential for an academic community. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

Examination Policies: Consistent with the University's mission to preserve academic integrity, there are several policies and procedures that must be adhered to by students during exams.

1) In order to be allowed into the exam, students must have:
   - A BLUE or BLACK PEN (NO PENCILS!!! If you use pencil, you forfeit your chance for a re-grade.)
   - A BASIC or SCIENTIFIC calculator (no graphing calculators, cell phones, or other mobile devices unless given prior approval by the instructor)
   - Your UCSD student ID
2) During the exam, the following policies will be enforced:
   - Your seat will be randomized for each exam. When you enter the lecture on exam day, find your name and assigned seat number on the projector and quickly and quietly sit. Once everyone is seated, the exam will be handed out.
   - NO BATHROOM BREAKS (for exams <1.5 hours). Be sure to use the restrooms before the exam begins. Exams are less than an hour and a half long! You can make it!!! For longer exams, bathroom breaks will only be allowed (one at a time) during the first half of the exam duration.
   - No hats, hoodies, or sunglasses during the exam.
   - Turn cell phones off during the exam and leave them in your bag.
3) Violations of academic integrity will not be tolerated. For this course in particular, violations include, but are not limited to <u>anything that may be perceived as the following actions</u>:
   - looking at or copying from other students' exams
   - talking during an exam while exams are still being administered
   - looking at notes during an exam
   - taking the wrong version of an exam
   - removing an exam from the examination room

- removing pages from an exam
- falsifying identification or an exam book during or after the exam
- sitting in the wrong seat during an exam (if applicable)
- using an unapproved device/item during an exam (ie: programmable calculator, cell phone, etc. - see above list)

Violation (or perceived violation) of any of the abovementioned policies will be enforced via zero tolerance and referred to the student conduct process, so don't do anything that would even come close to something that an observer would potentially interpret as academic dishonesty. NO EXCEPTIONS.

Tentative Schedule of Topics (Subject to Change):

Review: Chapter 16

Part I: Technology and Cost

Week 1: Modeling Technological Processes
> Reading: Chapter 19
> Videos: D1

Week 2: Long Run Cost Minimization & Factor Demands
> Reading: Chapters 21
> Videos: D2, a-h; D3, k

Week 3: Cost Functions and Returns to Scale
> Reading: Chapters 22
> Videos: D2, i-l

Part II: Profit Maximization and Competitive Supply

Week 4: Midterm Exam 1 and Profit Maximization
> Reading: Chapters 20
> Videos: D3, a-d

Week 5: Deriving the Firm's Supply Curve
> Reading: Chapters 23
> Videos: D3, h-j

Week 6: Industry Supply & Partial Equilibrium Analysis
> Reading: Chapter 24
> Videos: D3, h-j

Week 7: Applications of Partial Equilibrium & Midterm Exam #2

Part III: General Equilibrium

Week 8: Pure Exchange Economy and the Edgeworth Box
> Reading: Chapters 32
> Videos: E2, a-c

Week 9: Pareto Efficiency, Equilibrium, and Production in the Edgeworth Box
> Reading: Chapter 33
> Videos: E2, d-l

Week 10: Production and Consumption: a 2x2x2 Model
> Reading: Chapters 32-33
> Videos: E2, m

Final Exam