

# Honors Intermediate Microeconomics

## 1. Meeting Time and Place

Both sections meet on Monday, Tuesday, Wednesday, and Thursday in Rob 406. Section 1 meets from 9:10 to 10:00, and Section 2 meets from 10:10 to 11:00.

## 2. Catalog Description

Prerequisites: E&M 101 and Mathematics 141. A more rigorous honors version of Economics 230. For students in the Carl A. Gerstacker Liberal Arts Institute for Professional Management, for students pursuing the mathematics and economics major, and for others by permission.

(The catalog description of E&M 230 reads, “Theoretical analysis of consumer choice theory and demand, production and cost, the firm and market organization, distribution and general equilibrium, game theory.”)

## 3. Course Objectives

In general, students should be able to (1) work with intermediate-level economic models in verbal, graphical, and calculus settings; (2) appreciate the role of incentives in determining economic behavior and the role of equilibrium in coordinating economic activity; and (3) apply sound economic reasoning to a discussion of economic issues and policy.

In particular, students will be able to (1) explain how consumer demand curves are determined and how various factors affect demand; (2) explain how a firm’s supply curves for its output and demand curves for its inputs are determined and how various factors affect these relationships; (3) thoroughly understand competitive markets — how they work, what they accomplish, and when they fail; and (4) work with models of market structure and competitive strategy — for example monopoly, oligopoly, and game theory models.

## 4. Examinations

There will be five midterm examinations, tentatively scheduled to be given in class on Wednesday 9 September, Wednesday 23 September, Thursday 8 October, Thursday 29 October, and Tuesday 17 November. The last examination will be given during finals week to the 9:00 section on Tuesday 8 December from 3:00 to 5:00 p.m. and to the 10:00 section on Friday 11 December from 8:00 to 10:00 a.m.

## 5. Grades

Grades will be based on the following calculation: the lowest of the first five examinations will be dropped, and the remaining four scores will count 20% each; the final will count for the other 20% of the grade.

## 6. Office

My office is Rob 100, my telephone is 629-0425, and my email address is [christiansen@albion.edu](mailto:christiansen@albion.edu). Office hours are Monday 1:10 to 2:00, Tuesday 3:10 to 5:00, Wednesday 1:10 to 2:00, Thursday, 1:10 to 2:00, and by appointment. My secretary is Renee Harlow in Rob 109. The department telephone number is 629-0419.

## 7. Textbook

The textbook for the course is my own *Microeconomics with Calculus*. Relevant chapters will be available as pdf files on the W drive. My files are in W\_Drv/Depts/ECONOMICS/econ230hfall109.

You are responsible for printing the pdf files. You may want to use Adobe Acrobat Reader. If so, I recommend that you do *not* check the “Fit to Paper” or “Fit to Page” button as doing so will result in the text printing smaller than it should. As a rough approximation, there will be about 500 pages to print for the course.

## 8. Other Online Resources

There is a home page for the course at [www.albion.edu/econ/christiansen/honors.htm](http://www.albion.edu/econ/christiansen/honors.htm). This page contains examinations for the course going back over ten years.

As part of an earlier version of the textbook, I wrote an interactive calculus tutorial in pdf format. At [www.albion.edu/econ/christiansen/micwcalc/screen1.pdf](http://www.albion.edu/econ/christiansen/micwcalc/screen1.pdf) you can read the calculus review, take some quizzes, and have your quizzes corrected and graded.

## 9. Course Outline and Reading List

### I. Economics and Calculus

- Chapter 1. Optimization and Equilibrium (about 3 lectures)
  - Exercises 1.1, 1.6, 1.7, 1.9, 1.10, 1.12–1.18
- Chapter 2. Tooling Up: Derivatives (about 4 lectures)
  - Exercises 2.1, 2.3–2.5, 2.9, 2.10, 2.12, 2.14, 2.15, 2.17, 2.19, 2.20, 2.23–2.35, 2.37–2.42, 2.44
- Chapter 3. Tooling Up: Partial Derivatives (about 4 lectures)
  - Exercises 3.2–3.4, 3.5 (a, b, and e only), 3.7–3.12, 3.17–3.27

## II. Consumer Theory

- Chapter 4. Choice with a Budget (about 4 lectures)
  - Exercises 4.1, 4.2, 4.7, 4.8, 4.11–4.14, 4.16, 4.18, 4.20, 4.21, 4.23, 4.25, 4.32, 4.34
- Chapter 5. Mathematics of Choice (about 3 lectures)
  - Exercises 5.1–5.8, 5.12–5.15
- Chapter 6. Consumer Demand, Section 6.1 only (about 5 lectures)
  - Exercises 6.1, 6.2, 6.5–6.9, 6.15, 6.18–6.24, 6.27, 6.28
- Chapter 7. Choice with an Endowment (about 3 lectures)
  - Exercises 7.2, 7.3, 7.6, 7.7, 7.10, 7.12–7.14, 7.18–7.20

## III. Producer Theory

- Chapter 9. Production, Sections 9.1, 9.2, 9.3 (through p. 314), and 9.4 only (about 3 lectures)
  - Exercises 9.1–9.3, 9.6–9.8, 9.15, 9.16, 9.22, 9.23
- Chapter 10. Costs of Production (about 4 lectures)
  - Exercises 10.1–10.5, 10.7–10.15, 10.17–10.20
- Chapter 11. Profit Maximization (about 3 lectures)
  - Exercises 11.1–11.15

## IV. Markets and Welfare

- Chapter 12. Equilibrium and Efficiency (about 3 lectures)
- Chapter 13. Interferences with the Market (about 4 lectures)
  - Exercises 13.5, 13.7, 13.8

## V. Market Organization

- Chapter 15. Market Power and Monopoly (about 5 lectures)
  - Exercises 15.2–15.4, 15.9, 15.12–15.17
- Chapter 16. Competitive Notions of Equilibrium (about 2 lectures)
- Chapter 17. Strategic Notions of Equilibrium (as time allows)

## 10. Albion College Policies

**Disability Statement:** If you have a disability and require accommodations or modifications in class instruction or course-related activities, please contact the Learning Support Center (LSC) staff who can arrange for reasonable accommodations for students who provide

documentation of their disability/condition. If you are presently registered with the LSC and have requested accommodations through the LSC for this semester, please plan to meet with me as early as possible to discuss the best way to implement these accommodations in this class. The LSC is located on the third floor of the Seeley Mudd library or call 517-629-0825.

**Albion College Statement on Attendance:** Regular attendance in all classes is expected. Every absence from class is inevitably a loss — usually one which can never be made up. A student has the responsibility to inform his or her faculty member, whenever possible in advance, of an absence due to serious or prolonged illness, and verification of absences due to emergency reasons, may be obtained from the Office of Residential Life.

**Statement on Academic Integrity:** As an academic community, Albion College is firmly committed to honor and integrity in the pursuit of knowledge. Therefore, as a member of this academic community, each student acknowledges responsibility for his or her actions and commits to the highest standards of integrity. In doing so, each student makes a covenant with the college not to engage in any form of academic dishonesty, fraud, cheating, or theft.