ECON 512 Microeconomic Theory II
Syllabus
Spring 2018
Department of Economics, College of Business and Economics
Instructors: Dr. Zeynep Hansen and Dr. Michail Fragkias

This syllabus is subject to minor changes at the discretion of the instructors and with due notice to students

Course Description: ECON 512 is the second in a sequence of two advanced microeconomic theory courses offered in the graduate economics curriculum at the College of Business and Economics and Boise State University. The course covers in-depth modern production and cost theory, market structure analysis, general equilibrium analysis, the presence of externalities and public goods. The course builds on your knowledge of mathematical methods used in microeconomic theory such as optimization, constrained optimization, the envelope theorem, and comparative statics.

Prerequisites: ECON 511; students should have a working knowledge of multivariate calculus, matrix algebra, formal logic and probability; also be competent in intermediate microeconomics using calculus.

Class Days/Time: Tuesdays/Thursdays, 12 noon - 1:15pm

Instructor Information: This class is co-taught
Name: Dr. Zeynep Hansen and Dr. Michail Fragkias
Office: Micron Business and Economics Building (MBEB) #3142 and #3208, respectively
Office Hours: Please email for an appointment.
Email: zeynephansen@boisestate.edu; michailfragkias@boisestate.edu
Phone: Dr. Hansen: (208) 426-3314; Dr. Fragkias: (208) 426-3308

Boise State University Statement of Shared Values: In addition to the policies governing academic integrity, Boise State University has adopted a Statement of Shared Values. In a culture of intellectual inquiry and debate, where the search for knowledge and discovery flourish, campus community members are expected to demonstrate civility, abide by norms of decorum, and adhere to the principles of civil discourse. Civility is expressed in the Statement of Shared Values which includes Academic Excellence, Caring, Citizenship, Fairness, Respect, Responsibility, and Trustworthiness. We encourage you to read these statements carefully, and consider them when interacting with faculty, fellow students, and members of the community. You can access the statement of shared values by clicking on the following link: http://www.boisestate.edu/osrr

Required Materials:

is also fine. Access to the Cengage MINDTAP platform is not required. Just find the cheapest book you can.

2. Software: MS Excel (2010 or later).

3. Instructor notes: Notes will deviate from the textbook so make sure you keep a good set. Also, study any academic articles or book chapters shared in class.

4. Dropbox: Early in the semester, you will gain access to a shared class folder on Dropbox. We will assume that you all have an account and can join the class folder. We will not be using Blackboard in this class.

**Logistics of Class - Lectures:** Class time consists of two parts, lectures and in-class problem solving. Good class notes are absolutely essential to do well in this course. The concepts, theory, and explanations of the topics covered in the lectures will require regular class attendance, review of material, and participation. This is a 500-level course and students therefore should spend 6 – 8 hours on studying per week outside of designated class meeting hours. The total number of chapters will be determined by the progress we make each day in class, but ideally, Dr. Hansen will cover chapters 9-12, and Dr. Fragkias will cover chapters 13-15 and 19 from the textbook. Readings from other academic sources may be distributed as supplements to course material. Please read the assigned chapters and other material before coming to class.

**Learning Outcomes:**

- Students will learn through lectures, classwork, homework, exams and readings to master microeconomic theory to a level that enables students to critically analyze applied economic research articles published in leading journals.

- Students will learn the methods of microeconomic theory that, in conjunction with other core classes, will provide the foundation for independent analysis and research on economic issues.

- Students will further develop mathematical and analytical skills required for working with microeconomic models.

By the end of the semester, students should be able to:

1. Apply graphical and algebraic analytical techniques to the analysis of firm behavior through an understanding of economic theories and models.

2. Use computers to find numerical solutions to optimization and equilibrium models that are too big to be solved graphically or algebraically.

3. Develop an understanding of factors that affect production decisions, cost structures and factor demand.

4. Apply demand, production and cost theory to interpret and analyze constrained profit maximization.
5. Explain the role of externalities in economic theory and the role of the government.

6. Apply microeconomic theory to real-world business and public policy situations.

7. Relate economic analysis in speaking, in writing, in mathematical models and in diagrams.

**Assessment & Class Policy:** Evaluation of your course performance will be based on 2 midterm exams, approximately 6 homework assignments and weekly in-class group work (solving exercises in teams):

- **Exams:** The exams will consist of problems and will be closed-book, closed-note and given in-class. Exams must be taken on the scheduled date and time.

- **Homework:** Regular homework assignments are designed to help you master the concepts and tools that we cover in class. Please make appropriate note of the fact that these assignments account for 30% of your final grade, so missing assignments can be highly detrimental to your class performance. There will be approximately 8 chapter-wise HW assignments throughout the course. You will complete the assignments on paper. They will be typically due on Thursdays by noon, except during exam weeks. No late assignment will be accepted.

- **In-class group work:** On selected weeks, you will be asked to collaborate in problem solving exercises in class. Lowest score will be dropped.

- **Attendance:** While not directly a part of your course grade, attendance is our way of tracking your commitment to the class. Chronic absenteeism will void the grading scales and weights stated below.

**Grading:** Grades will be posted within 5 working days of an exam, including the last one (see relevant section for details).

**Student Expectations/Responsibilities:**

1. **Institutional Student Code of Conduct (Classroom Etiquette):** A college classroom requires a higher level of courtesy than many people exercise in ordinary public space. Everyone in a classroom is there for the purpose of learning, and no one should be able to deprive another person of the chance to learn. Expressions of rudeness / callous comments degrade the high purpose of learning that should be paramount in a college classroom. Your professors expect that you, as a student, will be courteous and attentive during class; will complete the assigned work according to the class schedule, and will do all your own work and will not present anyone else’s work as your own, including online sources (this is also covered by the BSU Code of Conduct).

Students who do not follow these expectations will be invited to leave the class. Continued misconduct may lead to removal from the course and initiation of procedures described in the BSU Code of Conduct ([http://deanofstudents.boisestate.edu/](http://deanofstudents.boisestate.edu/))
Boise State University’s Student Code of Conduct Section 2.C states: “The classroom is not an unstructured political forum; it is the center for study and understanding of subject matter for which the faculty member has professional responsibility and institutional accountability. Control of the order and direction of class, as well as control of the scope and treatment of the subject matter, must therefore immediately rest with the individual faculty member. Faculty members and students must be free from disruption by students or others who may be in disagreement with the manner in which the faculty member discharges his/her responsibilities.”

Specific examples of disruptive behavior include:

- Monopolizing discussion or taking over the lecture
- Making hostile remarks to instructor or fellow student
- Distracting behavior such as side conversations, sleeping, cell phone use, laptop use without prior permission
- Otherwise interrupting the learning process

Furthermore, cell phones must be turned off during class or set to silent mode. If it rings, you will have to leave the class room. No e-cigs, chewing tobacco during class. No recreational animals, i.e., pets in the classroom as per MBEB policy.

2. *Course Communication: Email Etiquette:* College is preparation for your professional life and career. Therefore, it is necessary to start using professional etiquette in your communications with others. Texting language and acronyms are not acceptable in emails addressed to your professors. Email messages need to be necessary, respectful (beginning with a proper address, such as “Prof.” or “Dr.”), concise, and clear. For most of your course-related questions refer to the syllabus first for answers.

If you do not get an email response from the professors, it is likely that your email message did not meet the above guidelines.

Last but not least, please let the professors know of any individual learning needs or schedule conflicts in advance of their occurrence. Create a study plan for readings and activities each week. Estimate the time you will need to complete each task, and set aside that time in your weekly schedule so that you are able to complete the assigned work before the due dates.

**Course Outline:**
(subject to change)

Part I: Production and Supply, Competitive Markets (Dr. Hansen)

- Production Functions (Ch. 9; Week 1)
• Cost Functions (Ch. 10; Week 2-3)
• Profit Maximization (Ch. 11; Week 4-5)
• Partial Equilibrium Competitive Model (Ch. 12; Week 6)
• Review and Midterm Exam 1 (Week 7)

Part II: General Equilibrium; Models of Imperfect Competition; Externalities (Dr. Fragkias)

• General Equilibrium Model and Welfare (Ch. 13; Week 8-9)
• Monopoly and Regulation of Natural Monopolies (Ch. 14; Week 10)
• Imperfect Competition (Ch. 15; Week 11)
• Spring Break (Week 12)
• More on Imperfect Competition (Ch. 15 and other sources; Week 13-14)
• Externalities and Public Goods (Ch. 19; Week 15-16)
• Midterm Exam 2 (Finals Week)

Exam Dates: Exams are held in our classroom. Dates and times are listed below.

• Midterm exam 1: Thursday, February 22, 12 noon - 1:15 p.m.
• Midterm exam 2: Tuesday, May 1, 12:30 p.m.–2:30 p.m.

Grading Weights: Grading policies and exam grades are final and not subject to negotiation. The weights are described in Table 1.

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Midterm Exam 1</td>
<td>30%</td>
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<tr>
<td>Midterm Exam 2</td>
<td>30%</td>
</tr>
<tr>
<td>Homework</td>
<td>30%</td>
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<tr>
<td>Attendance and Group-work</td>
<td>10%</td>
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Grading Policies: No late assignment will be accepted. If you are not able to complete an exam by the time is due, you MUST contact the instructor to notify him/her ahead of time. If the instructor is not contacted before the exam closes, you will receive a “zero” for that exam. If you are not able to complete an exam by the time it is due AND have contacted an instructor as described above, you may be given an opportunity to complete the exam with a mutually agreed upon due date and time.

Grading Scale: The grades from the midterms, assignments and in-class work will be aggregated and count towards your final grade, guided by the schema presented in Table 2.
Table 2: Grading summary

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<thead>
<tr>
<th>Grade</th>
<th>Minimum Points</th>
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<tbody>
<tr>
<td>A+</td>
<td>≥ 96.5</td>
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<tr>
<td>A</td>
<td>92.5-96.49</td>
</tr>
<tr>
<td>A-</td>
<td>89.5-92.49</td>
</tr>
<tr>
<td>B+</td>
<td>86.5-89.49</td>
</tr>
<tr>
<td>B</td>
<td>82.5-86.49</td>
</tr>
<tr>
<td>B-</td>
<td>79.5-82.49</td>
</tr>
<tr>
<td>C+</td>
<td>76.5-79.49</td>
</tr>
<tr>
<td>C</td>
<td>72.5-76.49</td>
</tr>
<tr>
<td>C-</td>
<td>69.5-72.49</td>
</tr>
<tr>
<td>D+</td>
<td>66.5-69.49</td>
</tr>
<tr>
<td>D</td>
<td>62.5-66.49</td>
</tr>
<tr>
<td>D-</td>
<td>59.5-62.49</td>
</tr>
<tr>
<td>Fail</td>
<td>≤ 59.49</td>
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</tbody>
</table>

- We typically check email regularly until 4 PM during the conventional work week, Monday to Friday. In general, we will try to respond within 24 hours of receiving an email on a work day for messages received after 4 PM.

- If you have a question about your grade or academic progress, we prefer that you send an email.

- We will inform the class about schedule changes, revisions to assignments, and other housekeeping details via email.

**Academic Integrity**: Students are expected to perform according to the standards of academic honesty and integrity as outlined in the Boise State University policies. As stated in the Student Handbook,

> “Plagiarism in written works whether in hard copy, print or in electronic communications, will not be tolerated and may be cause for failure in the course and/or University dismissal. Academic dishonesty in any form may result in failure in the course or dismissal from the Program and/or the University.”

Students must abide by the Boise State University [Student Code of Conduct](#) regarding Academic Dishonesty (refer to the Boise State University Student Handbook). Students may not give or receive help on any test from any other student, except in team projects. Students may not use non-authorized resources that are available on the internet while taking exams. Students may not discuss the content of any tests with other students until all students have taken the test. This includes students who may have missed the scheduled test time due to illness or emergency. The Student Code of Conduct and policies on Academic Dishonesty are linked in this document. Students will be held to these standards in all areas of academic performance so we encourage you to read these policies carefully.
Disabilities Statement: Students with disabilities needing accommodations to fully participate in this class should contact the Disability Resource Center (DRC). All accommodations MUST be approved through the DRC. Please stop by Administration 114 or call 208-426-1583 to make an appointment with a disability specialist. To learn more about the accommodation process, visit our website at the following link: http://drc.boisestate.edu

Technology Resources/Requirements: You will need a number of computer skills and resources to take this class. Basic software requirements include: MS Word and MS Excel; access to web browser to access Dropbox.

Dropbox Requirements: We will be using Dropbox for this course as the primary means of sharing materials and information - http://www.dropbox.com. Please make sure you create an account if you don’t already have one and expect instructions on joining a class folder by your instructors.

Email Requirements: BSU University Policy 2280 establishes email as one of the official modes of communicating with students. The University officially discourages students from forwarding u.boisestate.edu email to another account. We will only respond to a course related email originating from BSU accounts.

Copyright Compliance: Some of the materials in this course may be copyrighted. They are intended for use only by students registered and enrolled in this course and only for instructional activities associated with and for the duration of the course. They may not be retained in another medium or disseminated further. They are provided in compliance with the provisions of the Teach Act. You can access this information by clicking on the following link: http://ecampus.boisestate.edu/faculty/guidelines/copyright/

Downloading Course Content: Course materials may be saved or printed for use in this course only. For use beyond this class, permission must be obtained from the instructors.