

ECON 201D – Intermediate Microeconomics I – Summer 2018

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Mo-Fr 11:00-12:15 PM, Tu 6:00- 8:05 PM, Old Chemistry 003(32)

Economics 201D is the first of three Intermediate level economics courses that together form the core economic theory courses for economics majors at Duke. It is a rigorous but largely non-mathematical development of the foundational concepts in microeconomics and is broadly accessible to economics and non-economics majors alike. While it emphasizes intuitive and graphical modeling techniques, it also begins to introduce students to some underlying math in preparation for a more complete mathematical treatment of the topics in Economics 205. Our goal here is threefold: First, to continue to develop a way of thinking that underlies all economic analysis – a way of thinking that is independent of math skills and broadly applicable to many facets of life in business, politics as well as personal decision making. Second, we are building a foundation for those of you who choose to go on in economics to better integrate economics with the more technical tools you will be developing in the next two courses. And third, as part of this building process, we begin to give you a sense of the types of math tools that lie beneath the graphical models typically presented in an intermediate microeconomics course.

Prerequisites: Introductory Economics. Calculus is a co-requisite but it will not be used in this course.

Textbook: We will closely follow the book *Microeconomics: An Intuitive Approach*, Cengage Learning, 2nd Edition, 2017.

Another version of the book exists, called *Microeconomics: An Intuitive Approach with Calculus*, Cengage Learning, 2nd Edition, 2017. This version is an expanded version to the book we will work with. Either one of them will contain the parts that we will follow. Namely, each chapter is divided into two parts: the *A-Parts*, which we will cover in this course; and the *B-Parts*, which are a treatment of the same material but using calculus tools. If you plan to major in economics, it is recommended you get the expanded version of the book.

Lectures: Given the condensed nature of the summer schedule, our class time will be spent primarily with traditional lectures on textbook material. Occasionally, I may spend time solving problems in class.

Animated Graphs: Professor Nechyba has developed dynamically evolving computer graphics for the text and the course. These are available inside the MindTap platform developed by the textbook publisher and you have access to them when you buy the text or when you purchase access directly without buying the print version. (MindTap also contains the full text of the actual textbook.) These are also available on the App Store. If you search “Nechyba” you should see Duke Micro Econ Apps by Chapter. Previous students have found these to be very helpful study tools!

Sections: Tuesday night sections should be viewed as an extension of class time. I will spend time reviewing homework problems, answering questions, and solving other practice problems from old exams. Attending these sections will be critical to your success on exams.

Homework: Since we are packing a semester's worth of material into six weeks, you will have homework *daily*. Each homework assignment will consist of three problems from the book. You will turn in a hard copy of your homework at the beginning of lecture on the following day. The only grade for these homeworks will be delivered/non-delivered. You should use these exercises as practice for the exams, and come with questions to class and mainly the Tuesday sessions, based on your work. I will only use the content of the homeworks to push final grades up for individuals right below a grade threshold.

The purpose of the homework is to get you to work hands-on with the conceptual material, which can look deceptively easy in the abstract but significantly more complex in practice. Taking these homework problems seriously is the single best way to study for this course. For many students, there is a great benefit from working on these problems in groups. This is absolutely encouraged, although you still need to write up your answers individually. I will not accept any late homework assignments.

Contacting Me: You should feel free to e-mail me when you have concerns or questions. I will be available after class every day and during Tuesday evening sections to help you. I will also hold additional office hours/review sessions leading up to the exams.

Quizzes: There will be four take-home quizzes throughout the course. These will be designed to make sure that you understand the material as we sprint through it and will be another great way to study for the exams. **YOU MUST WORK ALONE ON THESE QUIZZES.** You can use notes, problem set solutions, the textbook, slides, etc.

Grading: Each student's course score will be calculated two ways, and the higher of the two will be used as the final score. In the first method, the two midterm exam grades will count for 25% each, and the final exam counts for 35%. In the second method, the lower midterm exam grade will be dropped, and the final exam grade will count for 60%. In each method, your quiz average will count for 15%. There are no make-up exams – if you miss a midterm exam, it will be dropped automatically under the second method. The curve for the course will be applied at that point, with B set as the median grade.

Cautionary Note: It takes several days to write a “good” exam for this course. It is for this reason that I cannot write “make-up” exams. I am willing to arrange early exams for students who face special circumstances, but once an exam is given to the class, solutions are posted and we cannot then use the same exam again. For midterm exams, the grading system allows “drops” – but for the final exam, the only way to handle a missed exam is to ask the student to take the final exam the following semester.

Succeeding In Econ 201: First and foremost, you should plan to stay on top of the material in this course because the material builds. You cannot understand “lecture” 5 without understanding “lectures” 1 through 4. Students who fall behind do poorly in this course, and I think this is truer

for this course than for many others you will take (and even more crucial in the summer). Second, teamwork helps many students. You can learn much from your peers – whether you teach them or are taught by them – as you struggle through homework problems and as you study. We therefore strongly recommend forming study and homework groups. Third, take the homeworks seriously. The material I cover can seem deceptively simple, and it is usually only in working with the material that you learn it at sufficient depth to do well on exams. In addition, we strongly recommend that you work through some of the within-chapter exercises as you read the chapters – they are intended for you to work immediately with concepts as you read about them.

Answers to the within-chapter exercises can be found in the on-line Study Guide. Fourth, you should learn to not panic when you do not know the answer to a question after reading the question. The course is trying to develop a way of thinking through problems – not just knowing the answers. Concentrate on developing strategies for approaching problems rather than just writing answers. Finally, if you find yourself falling behind, get help – during our class times, in sections, from peers, and from me.

Course calendar:

Date	Topic	HW Problems	Readings
16-May	Intro + Methodology I	-	Chapter 1
17-May	Budgets	2.15A, 3.8A, 3.15A	Chapter 2,3
18-May	Indifference Curves	4.3A, 4.5A, 4.9A	Chapter 4
21-May	Tastes and Optimization	5.4A, 6.9A, 6.16A	Chapter 5,6
22-May	Income and Substitution Effects	7.2A, 7.6A, 7.11A	Chapter 7
23-May	DWL from Taxation	8.1A, 8.4A, 8.8A	Chapter 8
24-May	Consumer Demand and Labor Supply	9.1A, 9.5A, 9.8A	Chapter 9
25-May	MWRP and DWL Revisited	10.7A, 10.8A, 10.12A	Chapter 10
28-May	Memorial Day (<i>no class</i>)		
29-May	Single Input Production - Cost Minimization and Supply	11.3A, 11.6A, 11.7A	Chapter 11
30-May	Two Input Production	12.1A, 12.3A, 12.4A	Chapter 12
31-May	Midterm 1		
1-Jun	Linking Shortrun and Longrun	13.3A, 13.5A, 13.10A	Chapter 13
4-Jun	Competitive Market	14.1A, 14.4A, 14.9A	Chapter 14

5-Jun	First Welfare Theorem	15.1A, 15.3, 15.8A	Chapter 15
6-Jun	Elasticities	18.2A, 18.5A, 18.9A	Chapter 18
7-Jun	Taxes and Subsidies	19.1A, 19.3A, 19.6A	Chapter 19
8-Jun	Externalities	21.3A, 21.9A, 21.10A	Chapter 21
11-Jun	Immigration and Trade	20.3A, 20.11A	Chapter 20
12-Jun	Asymmetric Info/Discrimination	22.1A, 22.7A, 22.8A	Chapter 22
13-Jun	Monopoly	23.3A, 23.4A, 23.6A	Chapter 23
14-Jun	Midterm 2		
15-Jun	Game Theory 1	24.1A, 24.2A, 24.3A	Chapter 24
18-Jun	Game Theory 2	24.4A, 24.5A, 24,15A	Chapter 24
19-Jun	Oligopoly 1	25.1A, 25.2A, 25.3A	Chapter 25
20-Jun	Oligopoly 2	25.6A, 25.7A, 25.10A	Chapter 25
21-Jun	Monopolistic Competition	26.2A, 26.3	Chapter 26
22-Jun	Methodology II + Review		
25-Jun	Review		
27-Jun	Final Exam		
