

Intermediate Microeconomic Theory (Econ 203)

University of Massachusetts Amherst

Instructor:

Email:

Please read every section of this Syllabus fully and carefully before the course starts.

I. Course Outline and Objectives

Microeconomics studies social and economic interactions at the *micro* level – that is, starting from the behavior of single economic actors or entities. The material covered in this course will equip you with tools to connect individual goal-oriented behavior with the resulting, sometimes counter-intuitive, social outcomes.

Our journey into microeconomics will start from an age-old challenge: how to coordinate the activities of free individuals, each seeking their own ends, so as to achieve socially desirable results? We will explore this issue using the language and tools of game theory. The framework that we will gradually build can be readily applied to the real-world issues which inspired many of you to take a course (or a major) in economics, including market competition, economic development, inequality, and environmental sustainability.

During the course, we will explore in depth the relation between conflict and coordination and think about questions of efficiency and fairness. The course will also help you deconstruct the role of power, communication and bargaining in economic interactions. All these ideas will be explored with a strong foundation in actual behavioral tendencies of people. Our approach will make it clear that the insights of other disciplines – including history, sociology, law, and anthropology – are an integral part of economics.

Here's a list of some of the ideas that we will go through during the course:

- How do economic agents – people, firms, communities and governments – make choices? What social outcomes should we expect as a result of these choices?
- When does the pursuit of self-interest by all individuals lead to socially efficient outcomes? When does it lead to outcomes that no one likes?
- How does trade generate economic gains? What determines the distribution of these gains among different individuals and groups? Are they distributed equally or unequally?
- Why and how do institutions (the 'rules of the game') and power affect the way people, firms, communities and governments interact?
- How does the labor market work? What determines the wage level? Why is there some unemployment in all capitalist economies?

II. Pre-requisites

Prerequisites: ECON 103 or RES-ECON 102, *and* one of the following courses - MATH 127, MATH 128, MATH 131, MATH 132, ECON 151, or ECON 152.

Math pre-requisites

There are good reasons why having completed a math course is required in order to enroll in intermediate microeconomics. To do well in this course, you need some basic math skills. You should feel comfortable interpreting and graphing simple mathematical functions. You should have a working knowledge of basic calculus – this involves calculating slopes of functions, taking derivatives, and mathematical optimization (maximizing and minimizing functions). You should also feel comfortable solving a simple system of linear equations.

TIP 1: Revise your math – now!

This course will be more exciting and insightful (and easier) to you if you feel comfortable with the math pre-requisites. I'm not saying this to turn you away from the course – and it is actually true of any intermediate microeconomics course. I am saying this so you go back and revise some of the math as soon as you get the chance. Doing it at the very beginning will make things much easier for you.

In the Moodle page of the course, you will find a "Math Review" section, with materials covering the main essential math pre-requisites. We will not discuss these in class (as they are pre-requisites to the content of the course, that you are supposed to already master), but you can go back to them whenever you feel like you need a math refresh.

III. Course Organization and Materials

A. Textbook

Samuel Bowles & Simon Halliday, *Microeconomics: Competition, Conflict and Coordination* (2020, Oxford University Press) A PDF copy of the textbook will be uploaded on Moodle at no cost for students.

B. Moodle

Moodle will be used to upload materials (including lecture videos and notes), make announcements and administer assignments and quizzes.

C. Weekly readings

Reading regularly is key to success in this course. Approximately every week, you will be assigned a reading, and a reading-based quiz that will test your comprehension of the reading (some detail on these quizzes is given in Section V below). The expected calendar of readings is outlined in Section IV below. The best way to check when the next reading is due is to look at the “Quizzes and assignments” section in the Moodle page, and open the description of the next reading-based quiz, which will indicate what is the reading and when it is due.

D. Communications

I will often send you emails and post new materials on Moodle. The remote modality makes communication via email and Moodle even more central. In order to succeed in this course, you will need to stay updated by checking your UMass email and the Moodle page of the course regularly.

E. Policy about extensions requests for quizzes and assignments

Requests of extensions for take-home assignments must be directed to the instructor before the deadline and only for extraordinary (and documented) reasons. *Extensions cannot be requested for reading-based quizzes*-the whole point of these quizzes being to incentivize people to do the reading by the deadline. Of course, it can happen to be unable to do a reading-based quiz for health issues or other unexpected reasons: this is why the two worst-graded quizzes (including any missed ones) are not counted.

IV. Course Schedule

Module	Date	Subject	Reading	Assignment
1		Society – Coordination Problems and Institutions	Chapter 1	Quiz 1
2		People and Preferences	Chapter 2	Quiz 2 Assignment 1
3		Constrained Optimization	Chapter 3	Quiz 3 Assignment 2
4		Property and Exchange	Chapter 4	Quiz 4 Assignment 3
		EXAM I		EXAM I
5		Coordination Failure	Chapter 5	Quiz 5 Assignment 4
6		Competition and Market Equilibrium	Chapter 9 (excluding 9.6 and 9.13 – 9.15)	Quiz 6 Assignment 5
7		Information – Contracts, Norms, and Power	Chapter 10	Quiz 7
8		Labor Market – Jobs, Unemployment, and Wages	Chapter 11 (excluding 11.3 – 11.5 and 11.11 – 11.14)	Quiz 8 Assignment 6
		EXAM II		EXAM II

V. Requirements and Grading

The course requirements consist of:

- 8 reading-based quizzes.
- 6 take-home assignments.
- A mid-term exam and a final exam.

It is your responsibility to be aware of the quizzes and assignments posted on Moodle and their deadlines, by checking the Moodle page of the course regularly.

A. Reading-based quizzes

Whenever you are assigned a reading, you will also have a quiz on the reading, to be completed on Moodle. These quizzes were previously (when the course was in person) called 'pre-lecture quizzes' and were due before class: they are designed so that you can do them after doing the reading, but you don't need to have watched the lecture yet. With asynchronous teaching, the lecture might actually be available to you when you do the pre-lecture quiz, and you are welcome to watch it before/while doing the quiz if you find it useful. There will be 8 reading-based quizzes in all. The two in which you do worse will not be counted. You can make unlimited attempts and will be able to see your score after each attempt. Only *the last* attempt will be graded. Online quizzes will account for **15% of your grade**. *Note:* extensions *cannot* be requested for reading-based quizzes (the whole point is to incentivize people to read regularly). If you skip one or two pre-lecture quizzes, they will just count as the 2 worst-graded ones, so they will not be counted towards your final grade.

B. Take-home assignments

6 take-home assignments will be distributed through Moodle. I will make available the assignments on Moodle at least 10 days before they are due. You can make unlimited attempts but (unlike pre-lecture quizzes) will not be able to see your score after each attempt. Only *the last* attempt will be graded. Take-home assignments will account for **35% of your grade**. *Note:* Extension requests for take-home assignments must be directed to your TA (not the professor) *before* the deadline and only for extraordinary (documented) reasons.

C. Mid-term exam

The mid-term exam will be available on Moodle between ____ and _____. You will be able to start at a time of your choice during that two-days window. Once started, it must be completed in 2 hours. It will have three kinds of questions: multiple choice questions; numerical exercises; short answer questions. The midterm exam will account for **25% of your grade**.

D. Final exam

The final exam will take place in December (date TBD). It will be similar in format to the mid-term exam. The final exam will account for **25% of your grade**.

VI. Accommodations for disability

The University of Massachusetts Amherst is committed to making reasonable, effective and appropriate accommodations to meet the needs of students with disabilities and help create a barrier-free campus. If you are in need of accommodation for a documented disability, register with Disability Services to have an accommodation letter sent to your faculty. It is your responsibility to initiate these services and to communicate with faculty ahead of time to manage accommodations in a timely manner. For more information, consult the Disability Services website at <http://www.umass.edu/disability/>

VII. Academic honesty

Academic honesty is required of all students at the University of Massachusetts Amherst. Academic dishonesty is prohibited in all programs of the University. Academic dishonesty includes but is not limited to: Cheating, fabrication, plagiarism, and facilitating dishonesty. The instructor may employ appropriate software (such as Turnitin or others) to check for possible plagiarism. Appropriate sanctions may be imposed on any student who has committed an act of academic dishonesty. The instructor will take reasonable steps to address academic misconduct.

Since students are expected to be familiar with academic honesty policy and the commonly accepted standards of academic integrity, ignorance of such standards is not normally sufficient evidence of lack of intent.

For more information about what constitutes academic dishonesty, please see the Dean of Students' website: http://umass.edu/dean_students/codeofconduct/acadhonesty/