

## Intermediate Microeconomics

Econ 341, Spring 2020 (3 credits)

Class Meets: Tues/Thurs 1-2:15pm at Barry Hall 120

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### 1. Prerequisite

I assume knowledge of basic algebra and graphical analysis. I will use calculus sparingly. This course does not expect prior knowledge of economics. Formal pre-requisites are: ECON 201, ECON 202, MATH 144 (or MATH 165).

### 2. Bulletin Description

Analysis of markets in terms of efficiency, resource use, and economic welfare.

### 3. Course Description

The Scottish philosopher Adam Smith (1723-1790) wrote:

“By pursuing his own interest, he frequently promotes that of a society more effectually than when he really intends to promote it. I have never known more good done by those who affected to trade for the public good” (Smith, *Wealth of Nations*).

This course explores the workings of the “invisible hand” that directs resources into activities where they are most valued. Spoiler alert! In a well-functioning market economy with countless consumers and producers, *prices* provide the valuable information regarding the ‘worth’ of each good. One of Smith’s greatest insights is that prices ensure that resources are used efficiently to generate wealth in a society. In this course, you will learn how independent activities by different firms, consumers, government agencies are all coordinated through the price system. We will also explore the intended and unintended consequences of tinkering with prices. Additional topics include externalities, imperfect competition, and game theory.

### 4. Course Objectives:

Upon successful completion of this course, students will acquire valuable tools necessary for quantitative and qualitative thinking on any topics related to economics. This course will provide theoretical tools and economic intuition that will prepare students for advanced courses in economics. It also serves as a foundational course for graduate program in microeconomics.

The course has following specific objectives:

1. Understand formal models of rational behavior and their underlying assumptions and implications, and be able to apply them to evaluate consumer and producer behaviors (PLO 3: Consumer and Firm Behaviors)
2. Understand the critical coordinating role that prices play in allocating resources to their most valued uses in a market economy. Recognize how the nature of goods and services and institutions can impact their efficient provision (PLO 2: Market and Efficiency)
3. Develop and use economic models to solve optimization problems and interpret them (PLO 5:

## Quantitative Reasoning)

4. Use competitive demand and supply models to evaluate the intended and unintended consequences of regulations, policies, and other forms of government interventions to the production and provision of goods and services in an economy (PLO 1: Policy Assessment)

*Note:*

Econ 341 fulfills four programmatic learning objectives identified by the Department of Agribusiness and Applied Economics. For each course objective listed above, the appropriate PLO is included at the end in parenthesis. These PLOs will be assessed during the semester through assignments, exam, research paper, and/or feedback surveys.

## 5. Required Texts, Materials, and Readings

*Intermediate Microeconomics*, 12<sup>th</sup> Edition, Walter Nicholson and Christopher Snyder. (Access to MindTap is required. For hard copies, you may use older editions)

*Universal Economics*, Armen Alchian and William Allen

Free e-book available at: <https://oll.libertyfund.org/titles/universal-economics>

## 6. Assignments, Exams and Grading Policy

I will administer the course based on a 1000-point system. A total of 250 points is allocated for 5 problem sets. You may work with your classmates but make sure to submit your work separately. If you work together, make sure to indicate who you worked with on the first page of the problem set. Bi-weekly assignments will test your familiarity with lecture materials. They are worth a total of 100 points. Typically, I will allow at least a week to submit assignments and problem sets from the date of release. They will be due on class before my Tuesday lecture. I will accept late assignments and problem sets up to a week past the deadline but with a 50% penalty. There will be no further extension on assignments and problem sets. Please note that grading late assignments and problem sets will be among my low priority tasks, so expect them to stay on my desk for a while. There will be two tests and a final exam, each worth 200 points (600 total). No make-up test will be allowed, unless arrangements are made at least a week in advance. No consideration will be made *after* you have missed a test. If it is a medical emergency, I will need a doctor's note. I will also consider a note from NDSU counseling center. Attendance is worth 50 points. Perfect attendance will earn you 20 extra points.

Below is a summary of your total grades:

	<b>Points</b>
Assignments	100
Attendance	50
Problem Sets (5 total)	250
Test 1	200
Test 2	200
Final Exam	200
<b>Total</b>	<b>1000</b>

*Grading Criterion*

Grade	Points
A	900-1000
B	800-899
C	700-799
D	600-699
F	0-599

Grades will not be curved. There will be opportunities for extra credit (up to a maximum of 5%). Please plan on attending the Center for the Study of Public Choice and Private Enterprise speaker series events. Exams will include **\*\*extra credit\*\*** questions from Vernon Smith's (Nobel laureate) and Chris Coyne's (George Mason) lectures, so be sure to attend them. Click [here](#) for more information. I will provide more details later during the semester.

### **7. Classroom Norms**

Use of tablets and laptops is allowed for learning purposes. Because class participation is vital for your success in this course, it is your responsibility to make sure to avoid online distractions (facebook, twitter, messaging). I reserve the right to change this policy if I find that this privilege creates significant negative externalities.

### **8. Academic Honesty:**

All students taking any course in the College of Agriculture, Food Systems, and Natural Resources are under the Honor System (<http://www.ag.ndsu.edu/academics/honor-system-1>). The Honor System is a system that is governed by the students and operates on the premise that most students are honest and work best when their honesty, and the honesty of others, is not in question. It functions to prevent cheating as well as penalize those who are dishonest. It is the responsibility of the students to report any violations of the honor pledge to the instructor, honor commission or the Dean of the College of Agriculture, Food Systems, and Natural Resources.

The academic community is operated on the basis of honesty, integrity, and fair play. NDSU Policy 335: Code of Academic Responsibility and Conduct applies to cases in which cheating, plagiarism, or other academic misconduct have occurred in an instructional context. Students found guilty of academic misconduct are subject to penalties, up to and possibly including suspension and/or expulsion. Student academic misconduct records are maintained by the Office of Registration and Records. Informational resources about academic honesty for students and instructional staff members can be found at [www.ndsu.edu/academichonesty](http://www.ndsu.edu/academichonesty).

### **9. Students with special requirements:**

Any students with disabilities or other special needs, who need special accommodations in this course are invited to share these concerns or requests with the instructor as soon as possible. The instructor may ask for verification and that, plus other assistance, can be requested from Disability Services in NDSU Library Suite 17 (231-8463). <http://www.ndsu.edu/disabilityservices/>.

### **10. Veterans and military personnel:**

Veterans or military personnel with special circumstances or who are activated are encouraged to notify the instructor as early as possible.

## 11. Important Dates

Jan 20, Monday	HOLIDAY — Martin Luther King, Jr. Day (no classes, offices closed)
Jan 23, Thursday	Last day to Add classes via Campus Connection* Permission needed after this date.
Jan 23, Thursday	Last day for no-record Drop of classes @ 100% refund* (full semester classes only)
Jan 23, Thursday	Last day to Withdraw to Zero Credits @ 100% refund* (full semester classes only)
Jan 23, Thursday	Attempted credits calculated for financial aid SAP (11:59 pm)**
Jan 28, Tuesday	Financial aid applied to NDSU account balances
Feb 3, Monday	Last day to submit requests to Audit, Pass/Fail
Feb 7, Friday	Undergraduate/Professional Spring and Summer Degree Applications due
Feb 7, Friday	Graduate student Spring Graduate Degree Applications due
Feb 17, Monday	HOLIDAY — Presidents' Day (no classes, offices closed)
Feb 24, Monday	Last day to Withdraw to Zero Credits @ 75% refund* full semester classes only)
Mar 6, Friday	Grades of 'Incomplete' convert to 'F'
Mar 16-20 (Mon-Fri)	Spring Break Week (no classes, offices open)
Mar 26, Thursday	Last day to Withdraw to Zero Credits @ 50% refund* (full semester classes only)
Mar 30, Monday	Summer/Fall registration begins online based on total credits completed
Apr 9, Thursday	Last day to Drop classes with 'W' record
Apr 9, Thursday	Last day to Withdraw to Zero Credits for Spring
Apr 10, Friday	HOLIDAY – offices closed Friday
Apr 13, Monday	HOLIDAY – Spring Recess (no classes, offices open Monday)
Apr 17, Friday	Graduate student Initial Disquisition submission for May graduation
Apr 20, Monday	Open registration for summer/fall
Apr 24, Friday	Spring Commencement Participation deadline
May 4-8 (Mon-Fri)	Dead Week
May 11-15 (Mon-Fri)	Final Examinations
May 16, Saturday	Commencement ceremonies (10:00 & 2:00 in Fargodome)

## 12. Course Calendar

Week	Date	Topics	Required Readings/Tasks
<b>Introduction</b>			
1	<b>Jan 14</b>	Welcome and Introduction	
	<b>Jan 16</b>	Economic Models	N&S Ch 1; A&A TBD
<b>Demand</b>			
2	<b>Jan 21, 23</b>	Utility and Choice	N&S Ch 2; A&A TBD
3	<b>Jan 28, 30</b>	Demand Curves	N&S Ch 3; A&A TBD
<b>Supply</b>			
4	<b>Feb 4-6</b>	Production	N&S Ch 6; A&A; PS 1 due
5	<b>Feb 11, 13</b>	Costs	N&S Ch 7; A&A TBD
6	<b>Feb 18, 20</b>	Profit Maximization and Supply	N&S Ch 8; A&A TBD
<b>TEST 1 (Chapters 1-3, 6-8)</b>			
<b>Perfect Competition</b>			
7	<b>Feb 25, 27</b>	Perfect Competition in a Single Market	N&S Ch 9; A&A, PS 2 due
8	<b>March 3, 5</b>	General Equilibrium and Welfare	N&S Ch 10; A&A TBD
<b>Imperfect Competition</b>			
9	<b>March 10, 12</b>	Monopoly	N&S Ch 11; A&A TBD
	<b>March 17, 19</b>	*Spring Break Week*	
10	<b>March 24, 26</b>	Uncertainty	N&S Ch 4; A&A; PS 3 due
11	<b>Mar 31, Apr 2</b>	Game Theory	N&S Ch 5; A&A TBD
12	<b>Apr 7, 9</b>	Imperfect Competition	N&S Ch 12; A&A TBD
<b>TEST 2 (Chapters 4, 5, 9-12)</b>			
<b>Input Markets</b>			
13	<b>Apr 14, 16</b>	Pricing in Input Markets	N&S Ch 13; A&A; PS 4 due
14	<b>Apr 21, 23</b>	Capital and Time	N&S Ch 14; A&A TBD
15	<b>Apr 28, 30</b>	Asymmetric Information	N&S Ch 15; A&A TBD
16	<b>May 5, 7</b>	Externalities and Public Goods	N&S Ch 16; A&A TBD
17	<b>May 12, 14</b>	*Review*	PS 5 due
18	<b>May 11-15</b>	<b>Final Exam (Chapters 13-16)</b>	

Last updated: January 15, 2020