

# Syllabus for ECO 401, Intermediate Microeconomics Summer I 2019 (5/7/19 – 6/4/19)

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Prerequisites: Economics: ECO 201 & ECO 202 or equivalent  
Math: MA 113 or MA 123 or equivalent

Classroom: B&E 127  
Lectures: MTWRF 6:00 pm – 8:00 pm  
Office Hours: MTWF 4:00 – 5:30 pm, or by appointment

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## 1 Required Text

Pindyck and Rubinfeld *Microeconomics (9th Edition)* (8th is ideal). Pearson, 2018.

## 2 Suggested Texts

More mathematical: Perloff *Microeconomics: Theory and Applications with Calculus (Any Edition)*. Pearson

More intuitive: Nechyba *Microeconomics: An Intuitive Approach (Any Edition)*. Cengage

## 3 Introduction

Economics 401 is the second undergraduate course in microeconomic theory. It is designed to build upon principles developed in ECO 201 and provide students with a more sophisticated understanding of how market systems operate. We will study the behavior of individual decision makers: households, firms, resource owners. We will study the interaction of such individual economic units in markets. We will study the role that prices play in guiding the allocation of resources in a market economy. To reinforce students' understanding of microeconomic theory, and also to demonstrate the relevance of particular theoretical concepts, we will include numerous applications along the way.

Students are assumed to have mastered the material contained in ECO 201 and 202, principles of micro and macroeconomics. Calculus is a prerequisite for 401 and from time to time we will go through examples or work problems that presume a working knowledge of that subject. A firm grasp of both calculus and algebra are very important for success in this class.

It is a challenging, reasoning-intensive, but rewarding course and it is suggested that it should be taken either to learn the economic approach to analyzing problems (because you enjoy economics), to take higher-level economics courses, or to attend graduate (MBA, JD, PhD) school. Be prepared to spend a lot of time studying and doing work outside the classroom, especially in a fast pace, 4 week course.

## 4 Teaching Philosophy and Course Expectations

It is important to me that students understand that this course isn't me against you, but rather it is you and I working together to obtain a greater understanding of the material presented in this course. Students often view exams and homework assignments as an adversarial in nature and this is unfortunate. Instead, students should view these examinations and homework assignments as an opportunity to showcase and practice their knowledge of the material presented in this course.

Additionally, I feel that it is very important to be approachable as a teacher. If you have any questions during lecture, please feel free to ask as I am sure many other may be thinking the same question. Also, I want you to feel free to stop by during office hours to ask questions as well. If the posted office hours times do not work for you, send me an email and we can come up with some other time that works for both of us.

I will not take attendance, except as required by the University in the first 2 weeks. However I do believe that attendance is vital to succeed in this course. It is also important that you are thorough and careful while completing the quizzes, assignments and exams. I also expect you to be respectful to your fellow classmates and myself.

Regularly, you will work together with your classmates during the course. I will ask you to compare answers to a problem or work together on a question with your neighbor. Working as a group is something you will encounter in the workplace and it is a valuable learning tool as well.

Think of this class and the assignments included in it as a job. I'm sure showing up on time and not leaving early is something any firm would expect of you.

Think of the problems and exams as a project your very involved boss assigns. Suppose after graduating you get a job at Toyota and they want you to figure out what place would be best for a new assembly plant. They would not accept these answers.

1. That you could not come up with anything.
2. Indianapolis, IN without any explanations as to why Indianapolis.
3. That you did not realize that the problem was assigned.
4. That social obligations (party, wedding, flight, etc.) prevented you from doing the problem.

## 5 Grading System

Your grade in this course will be broken down as follows:

| Task                           | Percentage |
|--------------------------------|------------|
| Math Review Quiz               | 5%         |
| Homework/In class work/quizzes | 20%        |
| Exam I                         | 25%        |
| Exam II                        | 25%        |
| Final Exam                     | 25%        |
| Total                          | 100%       |

Letter grades be assigned using the classical grading scale:

$$100\% \geq A \geq 90\% > B \geq 80\% > C \geq 70\% > D \geq 60\% > E$$

### Math Review Quiz

As being comfortable with basic calculus is important to your success in this course, this will be reviewed and then a quiz will be given. This math review quiz will also include some questions covering principles of economics.

### Problem Sets/In class questions

As this course is based on reasoning and not memorization, the way to learn is by doing the problems. Thus 20% of your final grade is based upon work in class and homework. Late submissions receive no credit. In class questions will be graded based on a good faith effort on the question: being able to show or explain how you tried to solve the equation. Homework will either be graded as a good faith effort, or for credit. Quizzes will be announced one class in advance, and will be graded like exams. This will provide feedback before the exam on the material you will be tested upon, as well as some information on how exam will be graded. I will drop the lowest two homework/quiz grades.

### Exams

Exams will be given in class and will reflect material covered in lectures, homework assignments, or assigned readings. Expect to be tested over quantitative problems as well as short answer and/or essay questions concerning your intuitive understanding of the material. Collectively, the exams sum up to 75% of your total grade. Exam dates listed below are very tentative.

Exam I: Monday, May 13th

Exam II: Monday, May 20th

Final Exam: Tuesday, June 4

## 6 Logistical Details

- **Getting to Class:** Typically the Gatton Building closes at 5 pm during the summer. To accommodate our class however, the main entrance to the building will be open until 6:30 pm. The main entrance is the one located on the second floor of the building and faces the graduate school, administrative drive, main building, and POT. If you're not sure which one I'm referring to check the picture below. NOTE: this means if you arrive after 6:30, you will not be able to get into the building. If there is a situation in which you know you will be arriving after 6:30, you'll need to make arrangements with me or a classmate beforehand to let you in.
- **Active Participation:** Plan to participate in class and join the discussion. There will be lots of opportunities to talk and interact. Your participation also includes taking responsibility for the content in lectures. There is no formal attendance policy, but your attendance will be essential for success in the course. My lectures will cover material not contained in the readings.
- **Classroom Courtesy:** Arrive early to class and plan to leave once dismissed. If there is a reason you cannot, please communicate this to me in advance. Please avoid private conversations during class, if you have questions, share them aloud since others may also benefit, and then others will at least not be distracted.
- **Official Communication:** Emails from me will be sent through Canvas. This includes all announcements, corrections, notes for class and any other pertinent information relating to this course. By default, this will send the email to your UK email address. If you do not check this regularly, have it forwarded to the email address that you use or change your email address on Canvas. "Not getting" an email because you don't check your UK account is not a valid excuse for missing assignments, exams, or any other coursework.
- **Excused Absences:** The University Senate Rule on Excused Absences states that a student is entitled to an excused absence for the following reasons: serious illness; illness or death of a family member; University-related trips; and major religious holidays. In each case, appropriate verification may be required. Students missing assignments due to an excused absence bear the responsibility of informing me about their excused absence within one week following the period of the excused absence (except where prior notification is required). Documentation required for excused absences will be accepted no later than 2 weeks after the excused absence. I will regularly confirm the authenticity of documentation used to verify excused absences.
- **Grievance Procedure:** Anyone feeling that a dispute exists after the grading of an exam may submit a written grievance. The grievance should identify the item in dispute and provide arguments supporting the student's position. Grievances must be submitted within two class periods following the return of the exam. Attach your entire exam to the grievance.

- **Cheating:** Academic integrity is valued by the University of Kentucky and its vast majority of students. The minimum penalty for a student caught cheating or plagiarizing will be an E in the course and that student may be suspended or dismissed from UK as well.
- **Accommodations:** If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. To receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (DTBEAC1@uky.edu, or 257-2754).

## 7 Course Outline

|    | Topic   | Chapters |
|----|---|----------|
| 1  | Math/Principles Review                                | MR, 1-2  |
| 2  | Consumer Choice, Individual and Market Demand         | 3-4      |
| 3  | Production/Firm Theory                                | 6        |
| 4  | Cost Theory   | 7        |
| 5  | Perfect Competition                                   | 8-9      |
| 6  | Monopoly  | 10       |
| 7  | Market Power and Pricing Strategies                   | 11       |
| 8  | General Equilibrium, Externalities and Market Failure | 16,18    |
| 9  | Uncertainty and Risk                                  | 5        |
| 10 | Game Theory   | 13       |
| 11 | Asymmetric Information                                | 17       |

Disclaimer: Some of the topics near the end of this outline may or may not be covered depending on time. Additionally, this syllabus is subject to change (including exam dates). I will announce any changes in class and/or email class members through Canvas.