Course Description

This course provides an in-depth introduction to the decision-making behaviors of economic agents and the resource allocation in a market economy. We will use standard economic models and mathematical tools to analyze some interesting economic questions, including: how do consumers make purchasing decisions? When does a firm decide to increase production or to shut down? How are prices determined? Why does scarcity drive up prices? Do markets always allocate resources efficiently? If not, what could be done? What happens when individuals strategically interact with each other?

It is worth keeping in mind that an economic model is a simplified version of the reality while still captures the very essence of the real-world issues. The art of being an economist is to transmit economic meanings and conclusions to the equations, derivatives and graphs we derive.

Prerequisites

- ECON1131 Principles of Microeconomics
- MATH1100 Calculus I
- We will be using calculus throughout the class. Students who are not mathematically prepared for this course should delay taking this course until they are more prepared.

Materials

Required Materials

- The textbook for this course is Intermediate Microeconomics, by Robert Mochrie, ISBN: 978-1137008442 (Paperback) or 9781137091666 (Ebook).
Optional Materials

- *Calculus for Dummies* by Mark Ryan, ISBN: 978-1119293491
- *Calculus II for Dummies* by Mark Zegarelli, ISBN: 978-1118161708

Recommended Readings

- *Economics Rules: The rights and wrongs of dismal science* by Dani Rodrick
- *Misbehaving: The making of behavioral economics* by Richard H. Thaler

All required and recommended materials for this course are available at the BC Bookstore, and through their website, [www.bcbookstore.com](http://www.bcbookstore.com). You can place an order online for in-store pickup or home delivery. To avoid any delays, BC bookstore encourages you to buy or rent all of your required materials at the start of the semester. The BC Bookstore will begin returning overstock before the end of the semester.

Canvas

Canvas is the Learning Management System (LMS) at Boston College, designed to help faculty and students share ideas, collaborate on assignments, discuss course readings and materials, submit assignments, and much more - all online. As a Boston College student, you should familiarize yourself with this important tool. For more information and training resources for using Canvas, click here [http://www.bc.edu/offices/cte/tools/canvas.html](http://www.bc.edu/offices/cte/tools/canvas.html). This course requires students to **check Canvas frequently**. Stay connected to Canvas helps students to keep track of the tasks, assignment deadlines, and other important information.

Course Objectives

After taking this course, you are expect to do the following.

1. Build economic models that describe the behavior of consumers and firms
2. Solve the standard economic models to understand how individuals and firms make the optimal choice in a world of scarcity
3. Using basic economic models to analyze how prices inform the decisions about which goods and services to produce, how to produce them, and who gets them
4. Using basic economic models to evaluate how government policies affect the allocation of resources in a market economy
5. Using basic economic models to explain how market structure influences the allocation of resources
6. Identify the strength and weakness of the economic models

7. Apply economic models to current events using graphical analysis and economic reasoning

**Grading**

- Participation: 10%
- Problem Sets: 30%
- Quizzes: 15%
- Exams: 45%
- Score = Max \{0.45 \times \text{Final}, 0.30 \times \text{Final} + 0.15 \times \text{Midterm}\}
  
  In words, if your final exam score is better than your midterm score, I will use only your final exam score.

  **Note:** Students who miss the final exam will receive a 0, and consequently fail the class, unless they are excused by the dean for exceptional circumstances. Students excused by the dean will receive an “incomplete” and will need to take the final during the subsequent semester before the grading deadline.

- Extra Credits: 2%

**Attendance and Participation**

**Q:** Will the instructor take attendance?
**A:** No.

**Q:** What is the participation grade based on?
**A:** I expect you to attend class regularly and participate by (i) asking questions, (ii) participating in discussions. **If you miss class, you are responsible for obtaining notes from fellow classmates.**

**Problem Sets**

**Q:** How many problem sets will there be?
**A:** Between 6 and 8, most likely. They will be posted on Canvas under the "Assignments" tab.

**Q:** How will problem sets be graded?
**A:** I will grade the problems sets by awarding 80% of the points for completion, and 20% based on a careful review of one problem (possibly containing question subparts). I will not announce in advance which problem I will carefully review. To receive all of the points for completion, you must demonstrate a reasonable attempt to solve the problem, including showing your work to obtain the solution. To receive all of the points for the carefully graded problem, you must demonstrate a correct solution method and the correct solution.
Q: Will low problem set scores be dropped?
A: I will drop your lowest problem set score from your grade.

Q: How will students learn from mistakes on problem sets?
A: To ensure that you can learn from any mistakes you make in the problems I do not carefully review, I will provide the solution key as a handout at the end of class on the day the assignment is due. The solution key is available only as a paper copy, not as a digital copy.

Q: When are problem sets due?
A: In class, by the time I leave the room at the end of class.

Q: Can problem sets be turned in late?
A: Late problem sets will receive a maximum grade of 50%, based entirely on completion because I will have already distributed the solution key at that point. You may turn in a late problem set any time before the final exam. Problem sets not submitted will receive a grade of 0. Exceptions to the late policy will be granted for exceptional circumstances, such as illness or the passing of a family member, when I have received documentation from a clinician or dean.

Q: Can problem sets be submitted electronically?
A: No. If for some reason, you cannot come to class to submit your problem set, you may put it in my mailbox in the economics department or ask your classmate to submit it for you.

Quizzes

Q: How many quizzes will there be?
A: 2.

Q: What happens if a student misses a quiz?
A: If you know that you will miss class during a quiz, you must notify me in advance and schedule (in advance) another time to take the quiz. If you do not notify me in advance you will receive a zero unless you discuss the reason with the dean and the dean informs me that the absence should be excused (as is commonly given for serious illness, death of a family member, etc.), in which case we will schedule another time to take the quiz. The version of the quiz you take at another time may differ from the version distributed during class.

Q: What type of questions will the quizzes contain?
A: Multiple choice questions only.

Q: When will quizzes occur?
A: During class, at the beginning of class, on September 20th and November 8th, unless the class schedule is disrupted by cancellations, in which case students will be given adequate notice of quiz days. Students will have between 15 and 30 minutes for the quiz; the exact amount of time will be announced at the start of the quiz.
Exams

Q: When will the exams be held?
A: The midterm exam will occur during class on Thursday November 11th. The final exam will occur on Tuesday December 18th.

Q: What happens if a student misses the midterm exam?
A: If you know that you will miss class during the midterm, you must notify me in advance and schedule (in advance) another time to take the midterm. If you do not notify me in advance you will receive a zero unless you discuss the reason with the dean and the dean informs me that the absence should be excused (as is commonly given for serious illness, death of a family member, etc.), in which case we will schedule another time to take the midterm. The version of the midterm you take at another time may differ from the version distributed during class.

Q: What happens if a student misses the final exam?
A: With the exception of extreme and unusual circumstances excused by the dean, students who do not take the final during the scheduled time will receive a zero.

Q: What types of questions will the exams have?
A: The exams will consist of short answer questions, similar in format to the homework questions. The questions will be graded on a point scale for which you will receive multiple points for partially correct answers, 1 point if you leave the question blank, and 0 points if your answer is completely incorrect or irrelevant. This system gives you an incentive to spend time on the questions you are familiar with, and not to spend any time on a question that you don’t know how to begin to address.

Q: What should students bring to the exams?
A: You must bring your Boston College ID to each exam. Once the exam has begun, I will take attendance by comparing your IDs with my class roster. This will create a record of which students have received an exam. I will then record which students submitted an exam as they are handed in. If I cannot find your exam, but my records show that you received and submitted an exam, we will discuss how to address the issue. If my records do not show that you received and submitted an exam, your exam will be considered missing and you will receive a zero.
You may use a basic or scientific calculator during the exam, but you are not permitted to use a graphing calculator or cell phone. I will not be able to provide extra calculators or writing utensils. I will distribute blue books in which you will write your solutions.

Q: Can students bring notes or the textbook to the exam?
A: No. Before the exam begins you must put all papers out of sight.

Q: Can students appeal their grade on the midterm exam?
A: If you write your solutions in pencil you may only appeal the result of a total score miscalculation, but not the points awarded for a particular problem. If you write in pen, you may appeal for both reasons.
Q: What should students do to appeal their midterm exam score?
A: You may appeal your exam grade by submitting to me, within one week of receiving your exam score, a typed and printed (not electronic) explanation of exactly which questions you believe should receive a different grade along with your reasoning for the change. I will award more points only if (1) your score was miscalculated based on the points awarded for each question or (2) your answer constitutes an alternative and plausible answer to an ambiguously worded question.

Q: Can student appeal their grade on the final exam?
A: The same policies apply to the final as to the midterm except that you will only receive your final exam if you arrange to pick it up, as the semester will already be over.

Class Policy

Q: Can students use laptop in class?
A: Neither cellphones nor laptops should be used in class. Cellphones should be turned off or muted.

Q: Will lecture notes be posted on Canvas?
A: Yes.

Q: How will students know due dates?
A: They will be announced in class and posted on the Canvas class webpage.

Q: Can students meet at a time other than scheduled office hours?
A: I am also available by appointment at other times. If you would like to schedule an appointment, please contact me at least 24 hours in advance (earlier is better). In general I will set aside 30 minutes per appointment. Please be punctual, and if you must cancel the appointment, please tell me as soon as possible.

Q: Can students email the instructor questions about lecture or problem sets?
A: Email is a poor form of communication for teaching economics because it takes much longer and is much less clear than speaking in person. I do not use email to communicate about class topics. If you have questions specifically about course material or need help with problem sets, please come to my office hours or schedule appointments. I will respond to emails seeking help with course material by inviting you to my office hours.

Q: Can you work with other students on the assignments?
A: Yes! I recommend that you do! You will submit the problem sets and reading responses individually, but I encourage you to work together and discuss them. However, every word, number, or symbol that you submit (whether written or typed) should be your own writing or typing, and the sentences and paragraphs of your reading responses should be your own words. You will lose points if I find this is not the case.
Course Outline

The speed at which we cover the material may vary depending on questions and depth of each topic, thus this is not a weekly schedule:

- Key Principles, Markets (Mochrie Ch. 1 2)
- Budget Set (Mochrie Ch. 3)
- Preferences and Utility (Mochrie Ch. 4 5)
- Utility Maximization (Mochrie Ch. 6 7)
- Changes in income and prices (Mochrie Ch. 8)
- Hicksian Decomposition (Mochrie Ch. 9)

- Midterm Exam

- Production and Cost Functions (Mochrie Ch. 10 11)
- The Production Problem (Mochrie Ch. 12)
- Supply Function (Mochrie Ch. 13)
- Market Equilibrium (Mochrie Ch. 14)
- Monopoly (Mochrie Ch. 15)
- Price Discrimination (Mochrie Ch. 16)
- Oligopoly (Mochrie Ch. 17)
- Game Theory (If have time)

- Final Exam

Accommodation and Accessibility

Boston College is committed to providing accommodations to students, faculty, staff and visitors with disabilities. Advanced notice and formal registration with the appropriate office is required to facilitate this process. There are two separate offices at BC that coordinate services for students with disabilities:

- The Connors Family Learning Center (CFLC) coordinates services for students with LD and ADHD.
- The Disabilities Services Office (DSO) coordinates services for all other disabilities.

Find out more about BC’s commitment to accessibility at www.bc.edu/sites/accessibility.
**Academic Integrity**

A breach of academic integrity, such cheating on exams or plagiarism of reading responses, will result in failure of the entire class. For more information on the Boston College academic integrity policies and procedures, visit [http://www.bc.edu/offices/stserv/academic/integrity.html](http://www.bc.edu/offices/stserv/academic/integrity.html)