

# MICROECONOMICS

## ECO 394K

Unique Numbers 34255, 34257, 34258

Fall 2016

**Lectures:** M, W 9:30 a.m. – 11:00 a.m., [WEL 2.312](#)

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Office Hours: Th 1:00 p.m. - 3:00 p.m.

Review Session: F 9:30 a.m.- 10:30 a.m., BRB 2.136

### **Purpose of the Course:**

This Master's level course is intended to provide a rigorous introduction to the methods of microeconomic theory, including consumer and producer theory, decision making under uncertainty, markets and competition, and general equilibrium and welfare.

### **Course Expectations:**

You should be prepared to spend substantial time outside class on readings and frequent homework assignments. I employ an interactive teaching style in the classroom and I expect you to be an active participant in this course. Please read all weekly assignments by the first class day of the week. You cannot be an active participant in the class if you are not in attendance. During this course I will be asking you to give me feedback on the course. It is very important for me to know your reaction to what we are doing in class. I believe that together we can create an environment effective for teaching and learning.

### **Text:**

[Advanced Microeconomic Theory](#) by G.A. Jehle and P.J. Reny, 3<sup>rd</sup> edition, Prentice Hall, 2011.

The above textbook will be referred to as **JR** in all reading and homework assignments.

If you need to brush up on your economic intuition, you may find useful *Microeconomic Theory: Basic Principles and Extensions* by W. Nicholson and C. Snyder, 11<sup>th</sup> edition, South-Western Cengage Learning, 2012.

**Assessment:** There will be regular problem sets, two midterms and a final. **All** exams are **closed book** ones. Midterm exams are NOT cumulative: material covered in one exam will not be covered in the later exam. The final exam is **cumulative**. There will be NO MAKE-UP DATES for either the midterms or the final. In case you miss one of the exams for a documented illness, emergency, a religious observance or other university-approved reason, the corresponding part of your final exam will be counted twice.

Class attendance is **mandatory**. Please download on your smartphones the app called **Arkaive** (it is free for students!). I will start taking attendance on Wed., Aug. 31. You need to be in class to be able to check in (the app uses geolocation). The check in will be closed after the first 10 minutes of each class. Your enrollment code is **1QLY** (you need this code to enroll).

The final score will be the weighted sum of the following:

- class attendance 5% (total)
- problem sets 15% (total)
- midterms 40% (20% each)
- final 40%

I will use Plus/Minus grading for the final grade. Grades will be curved, meaning that your letter grade meaning that your letter grade will be assigned based on your weighted average course score and your performance relative to the rest of the class. Please do not ask me about extra credit or extra work to improve your grade. None will be given.

**Dates of the midterms:** October 5 and November 9 in class. The date of the final is set by the Registrar.

**Homeworks** are important, indispensable part of the course; you should spend considerable time and effort on them. I strongly encourage you to work on the problem sets in study groups. However, before meeting with your group you should have attempted each question - study groups work best when they facilitate learning from each other, not when they are used simply to permit division of labor (i.e., you won't learn very much by simply copying other students' answers). Homeworks and solutions will be posted on **Canvas**. Unless indicated otherwise, homeworks are due on Fridays during review sessions. Late homework assignments **will not be accepted**. The lowest scoring problem set will not be counted in computing your grade.

**Tentative Course Outline (subject to change):**

<b>Date</b>	<b>Topic</b>	<b>Readings</b>
Aug. 24, 28, 31	Preferences and utility	JR 1.1-1.2
Sept. 7, 12, 14	Consumer choice	JR 1.3-1.4
Sept. 19, 21	Properties of consumer demand	JR 1.5
Sept. 26, 28, Oct. 3	Uncertainty	JR 2.4
<b>Oct. 5</b>	<b>Midterm 1</b>	<b>Material through Sept. 28</b>
Oct. 10	Beyond VNM expected utility	Class notes
Oct. 12, 17, 19, 24	Production functions	JR 3.1-3.2
Oct. 17, 19	Cost functions	JR 3.3 -3.4
Oct. 24	Profit maximization.	JR 3.5
Oct. 26, 31	Perfect competition and welfare	JR 4.1, 4.3

Nov. 2	Imperfect competition	JR 4.2
Nov. 7, 14	Price discrimination	Class notes
<b>Nov. 9</b>	<b>Midterm 2</b>	<b>Material through Oct. 31</b>
Nov. 16, 21	General equilibrium	JR 5.1-5.2
Nov. 28	Welfare theorems	JR 5.2
Nov. 30, Dec. 5	Robinson Crusoe economy	Class notes

## Academic Integrity

### University of Texas Honor Code

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

You are encouraged to study together and to discuss information and concepts covered in lecture and the sections with other students. You can give "consulting" help to or receive "consulting" help from such students. However, this permissible cooperation should never involve one student having possession of a copy of all or part of work done by someone else, in the form of an e mail, an e mail attachment file, a diskette, or a hard copy.

Should copying occur, both the student who copied work from another student and the student who gave material to be copied will both automatically receive a zero for the assignment. Penalty for violation of this Code can also be extended to include failure of the course and University disciplinary action.

During examinations, you must do your own work. Talking or discussion is not permitted during the examinations, nor may you compare papers, copy from others, or collaborate in any way. Any collaborative behavior during the examinations will result in failure of the exam, and may lead to failure of the course and University disciplinary action.

## Other University Notices and Policies

### Use of E-mail for Official Correspondence to Students

All students should become familiar with the University's official e-mail student notification policy. It is the student's responsibility to keep the University informed as to changes in his or her e-mail address. Students are expected to check e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that e-mail be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your e-mail address are available at <http://www.utexas.edu/its/policies/emailnotify.html>.

### Documented Disability Statement

Any student with a documented disability who requires academic accommodations should contact Services for Students with Disabilities (SSD) at (512) 471-6259 (voice) or 1-866-329-3986 (video phone). Faculty are not required to provide accommodations without an official accommodation letter from SSD

- Please notify me as quickly as possible if the material being presented in class is not accessible (e.g., instructional videos need captioning, course packets are not readable for proper alternative text conversion, etc.).
- Please notify me as early in the semester as possible if disability-related accommodations for field trips are required. Advanced notice will permit the arrangement of accommodations on the given day (e.g., transportation, site accessibility, etc.).
- Contact Services for Students with Disabilities at 471-6259 (voice) or 1-866-329-3986 (video phone) or reference SSD's website for more disability-related information: [http://www.utexas.edu/diversity/ddce/ssd/for\\_cstudents.php](http://www.utexas.edu/diversity/ddce/ssd/for_cstudents.php)

### **Behavior Concerns Advice Line (BCAL)**

If you are worried about someone who is acting differently, you may use the Behavior Concerns Advice Line to discuss by phone your concerns about another individual's behavior. This service is provided through a partnership among the Office of the Dean of Students, the Counseling and Mental Health Center (CMHC), the Employee Assistance Program (EAP), and The University of Texas Police Department (UTPD). Call 512-232-5050 or visit <http://www.utexas.edu/safety/bcal>.

### **Emergency Evacuation Policy**

Occupants of buildings on the UT Austin campus are required to evacuate and assemble outside when a fire alarm is activated or an announcement is made. Please be aware of the following policies regarding evacuation:

- Familiarize yourself with all exit doors of the classroom and the building. Remember that the nearest exit door may not be the one you used when you entered the building.
- If you require assistance to evacuate, inform me in writing during the first week of class.
- In the event of an evacuation, follow my instructions or those of class instructors.

Do not re-enter a building unless you're given instructions by the Austin Fire Department, the UT Austin Police Department, or the Fire Prevention Services office.