

ECO 394K: Microeconomics
Unique Numbers 33870, 33940, 33945, 33950
Fall 2019 Syllabus

Lectures: Tuesdays and Thursdays, 10:30am-12pm in BRB 1.118

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Review Session: Fridays at 11-12pm in BRB 1.118

Course Website: <https://utexas.instructure.com/courses/1256376/>
I will be posting all your assignments, as well as supplementary reading material and announcements on Canvas, so please check it frequently. You are responsible for any material or information posted there.

Course Description:

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. While the emphasis is on the theoretical foundations, we will consider applications to empirical work by discussing journal articles across various applied micro fields.

Required Text: *Advanced Microeconomic Theory* by Jehle and Reny

Optional: There are also a number of good intermediate-level-to-advanced textbooks if you need to brush up on your economic intuition. My favorites are by Nicholson and Snyder (both *Intermediate Microeconomics* and *Microeconomic Theory: Basic Principles and Extensions** and by Varian (*Intermediate Microeconomics: A Modern Approach* and *Microeconomic Analysis**) *starred textbooks are the more advanced versions of each pairing

Course Policies:

Grading:

Homework Assignments	30%	
Midterm Exam	35%	<i>tentatively scheduled for Thursday, Oct. 17.</i>
Final Exam	35%	Wednesday, Dec. 11, 9am-12pm.

I will use plus/minus grade categories when assigning final grades (i.e. A, A-, B+, B, B-,... F). Grades will be curved, 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.

Homework Assignments:

- There will be 5-7 problem sets assigned throughout the semester. They will be posted on the course website, and the TA will discuss solutions during the Friday sessions.
- Late homework **will not be accepted**. The lowest scoring problem set will be dropped, in order to allow you some flexibility throughout the semester.

Exams:

- There will be one midterm and one final exam, each accounting for 35% of your grade. The exams will be primarily in short-answer format. Anything covered in class or in the assigned readings is fair game,

but my lectures and the homework assignments will help you identify the material that I consider to be the most important.

- If you know in advance that you have a conflict with one of the exam times or require accommodations, please see me as soon as possible so that we can work out an alternative.
- No make-up exams will be given without a university-approved and documented excuse. Please notify me **prior to the exam** except in the case of an accident, emergency, or religious observance. If you are seeking an excused absence due to illness, you must notify me prior to the exam (email me at shoughton@utexas.edu) and provide confirmation of a visit to a health care professional upon return. Where advanced notification is not feasible, **notification must be given by the end of the second day after the absence**. Non-excused absences will result in a zero for that portion of your grade.

Statement on Academic Integrity:

The University of Texas Honor Code states:

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.

Each student in this course is expected to abide by the UT Honor Code and uphold academic integrity. ***What this means for this course:*** You are encouraged to study together and to discuss information and concepts covered in lecture and the recitation sections with other students. You can work together on homework assignments. However, this cooperation should never involve one student having possession of or copying directly from another student's work. Should such copying occur, both students involved will receive zeros for the assignment. During examinations, each student must do his or her own work. Any collaborative behavior or use of unauthorized material during the examinations will result in failure of the exam, and may lead to failure of the course and University disciplinary action.

Use of Class Materials:

The materials used in this class, including, but not limited to, exams, quizzes, homework assignments, and posted lecture slides are copyright protected works. Do not copy or distribute them in any way without my permission. The sharing of class materials without the specific, express approval of the instructor may be a violation of the University's Student Honor Code and an act of academic dishonesty, which could result in further disciplinary action. Do not distribute or upload class materials to websites for the purpose of sharing those materials with other current or future students.

ADA Notice:

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities at 471-6259 (voice) or 232-2937 (video phone) or <http://www.utexas.edu/diversity/ddce/ssd>.

Course Outline

Note: The following is a tentative outline of the topics the course aims to cover, and changes are to be expected. I will update the schedule on the course website (See Modules) with specific readings, handouts, and dates as the class goes on.

Part I: Consumer Theory	JR Chapter 1-2
Topic 1: Preferences and Utility	1.1, 1.2
Topic 2: Consumer Choice: The Indirect Utility Function/Expenditure Function/Duality	1.3, 1.4
Topic 3: Properties of Demand: Slutsky Equation/Elasticity	1.5
Topic 4: Applications: Intertemporal Choice, Labor Supply, Responses to Gov't Policies	class notes, articles
Topic 5: Uncertainty and Risk Aversion	2.4
Topic 6: Revealed Preference	2.3

MIDTERM: Tentatively scheduled for **Thursday, October 17 (in class)**, but this is subject to change as the course proceeds. Announcements will be made in class and on the course website well in advance.

Part II: Producer Theory	JR Chapter 3
Topic 7: Technology: Returns to Scale/Technical Rate of Substitution	3.1, 3.2
Topic 8: Cost Function and Its Properties	3.3
Topic 9: Profit Maximization/Supply	3.4, 3.5

Part III: Equilibrium Concepts and Welfare	
Topic 10: Partial Equilibrium – market structures and welfare measures	JR Chapter 4
Topic 11: General Equilibrium – in exchange and with production	JR Chapter 5
Topic 12: Social Choice and Welfare	JR Chapter 6

FINAL EXAM: In coordination with the other Economics MA courses, the final exam for this class is scheduled for **Wednesday, December 11, from 9am-noon.**