

**ECO 394K/ECO 386E: Microeconomics**  
**Unique Numbers 35380, 35445, 35450, 35455**  
**Fall 2021 Syllabus**

**Lectures:** Class meets on **Tuesdays and Thursdays, 9:00-10:30am CDT in TCC 1.110**. The classroom is designed to accommodate all enrolled students and to allow for social distancing. We will meet in-person, when possible, with lectures simultaneously broadcast via Zoom (link on Canvas). Recordings of in-class lectures will also be posted for a limited time on the course website.

**Instructor:** Dr. Stephanie Houghton  
Email: [shoughton@utexas.edu](mailto:shoughton@utexas.edu) \*I prefer direct email instead of using the Canvas inbox.  
Office Hours: **Tuesdays, 12:30-2pm** via Zoom (link on Canvas), or by appointment

**Teaching Assistants:**  
Lutfi Sun: [lutfisun@utexas.edu](mailto:lutfisun@utexas.edu) Office hours: Mondays, 5-6pm via Zoom (link on Canvas)  
Zijing He: [zijinghe@utexas.edu](mailto:zijinghe@utexas.edu) Office hours: Thursdays, 5-6pm via Zoom (link on Canvas)  
TA Session: **Fridays 9-10am via Zoom** (link on Canvas).

**Course Description and Requirements**

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.

**Textbook:** I will most closely follow *Advanced Microeconomic Theory* by Jehle and Reny, but there are a number of other good resources, especially Nicholson and Snyder's *Microeconomic Theory: Basic Principles and Extensions* and Varian's *Microeconomic Analysis*. If you need to brush up on your economic intuition, my favorites are Nicholson and Snyder's *Intermediate* and Varian's *Intermediate Microeconomics: A Modern Approach*.

**Prerequisites:** ECO 394C Mathematics for Economists or equivalent exposure to multivariate calculus, constrained optimization and linear algebra.

**Course Policies:**

*Grading:*

Homework Assignments	30%
Midterm Exam	35%
Final Exam	35%

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 and/or journal article summaries 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 dates (e.g. due to travel or religious observance) or require accommodations, please see me as soon as possible so that we can work out an alternative.
- If you are absent from the exam, you must notify me prior to the exam at [shoughton@utexas.edu](mailto:shoughton@utexas.edu). 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.

## University Disclosures and Policies

### Statement on Academic Integrity and Conduct:

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.

### Sharing of Course Materials is Prohibited:

No materials used in this class, including, but not limited to, lecture hand-outs, assessments (exams, homework assignments), in-class materials, and review sheets, may be shared online or with anyone outside of the class - or in future classes - unless you have my explicit, written permission. Unauthorized sharing of materials promotes cheating. It is a violation of the University's Student Honor Code and an act of academic dishonesty. I am well aware of the sites used for sharing materials, and any materials found online that are associated with you, or any suspected unauthorized sharing of materials, will be reported to Student Conduct and Academic Integrity in the Office of the Dean of Students. These reports can result in sanctions, including failure in the course.

### Class Recordings:

Class recordings are reserved only for students in this class for educational purposes and are protected under FERPA. The recordings should not be shared outside the class in any form. Violation of this restriction by a student could lead to Student Misconduct proceedings.

### ADA Notice:

I am committed to creating an accessible and inclusive learning environment consistent with university policy and federal and state law. Please let me know if you experience any barriers to learning so I can work with you to ensure you have equal opportunity to participate fully in this course. If you are a student with a disability, or think you may have a disability, you may request appropriate academic accommodations by contacting Services for Students with Disabilities (SSD) at <http://diversity.utexas.edu/disability/>.

### **Harassment Reporting Requirements:**

Under Texas Senate Bill 212 (SB 212), the professor and TAs for this course are required to report for further investigation any information concerning incidents of sexual harassment, sexual assault, dating violence, and stalking committed by or against a UT student or employee. Federal law and university policy also requires reporting incidents of sex- and gender-based discrimination and sexual misconduct (collectively known as Title IX incidents). This means we cannot keep confidential information about any such incidents that you share with us. If you need to talk with someone who can maintain confidentiality, please contact University Health Services at <https://healthyhorns.utexas.edu/> or the UT Counseling and Mental Health Center at <https://cmhc.utexas.edu/>. You can also make an appointment with a confidential advocate by emailing [advocate@austin.utexas.edu](mailto:advocate@austin.utexas.edu) or calling (512) 232-2860. We strongly urge you to make use of these services for any needed support and to report any Title IX incidents to the [Title IX Office](#).

### **Wellbeing Resources:**

Grad school is hard, even when we aren't in the middle of a pandemic. Take care of yourselves and others.

- The [Counseling and Mental Health Center](#) serves UT's diverse campus community by providing high quality, innovative and culturally informed mental health programs and services that enhance and support students' well-being, academic and life goals. To learn more about your counseling and mental health options, call CMHC at (512) 471-3515.
- Check out the [Longhorn Wellness Center](#), and these self-care [Virtual Mindfulness and Stress Reduction Activities](#).
- If you are experiencing a mental health crisis, call the [CMHC Crisis Line](#) 24/7 at (512) 471-2255.
- If you have concerns about the safety or behavior of fellow students, TAs or Professors, call [BCCAL](#) (the Behavior Concerns and COVID-19 Advice Line): 512-232-5050. Your call can be anonymous. If something doesn't feel right – it probably isn't. Trust your instincts and share your concerns.

### **COVID-19 Updates: Fall 2021 Semester**

In acknowledgement of COVID 19 and its impact on the University of Texas at Austin community, this course will reaffirm one of the core values here at UT Austin: responsibility. Our responsibility to ourselves and each other is to put our humanity in the forefront of our academic pursuits.

Let's help keep everyone at UT and in our community safe. Report COVID-19 symptoms and testing, regardless of test results to [University Health Services](#) as soon as possible. In addition, to help understand what to do if a fellow student in the class (or the instructor or TA) tests positive for COVID, see this [University Health Services link](#).

### **Class Participation/Masks:**

For every face-to-face class experience, we will all need to make some adjustments in order to benefit from in-person classroom interactions in a safe and healthy manner. Our best protections against spreading COVID-19 on campus and in our community are vaccines, masks, and staying home if you are showing symptoms.

In accordance with the Texas Governor's Executive Order, masks are not required. However, I have young, higher-risk children at home, so I do request you wear one – regardless of vaccination status - in accordance with CDC recommendations and Austin Public Health guidelines. I do acknowledge an individual's right to choose to do otherwise, and no academic consequences will result, but I and your fellow classmates appreciate your consideration.

## 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.

<b>Part I: Consumer Theory</b> (8/26/21-10/12/21)	<b>JR Chapter 1-2</b>
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 mid-October. Announcements will be made in class and on the course website well in advance once I can coordinate with other MA professors.*

<b>Part II: Producer Theory</b> (10/14/21-11/4/21)	<b>JR Chapter 3</b>
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

<b>Part III: Equilibrium Concepts and Welfare</b> (11/9/21-12/2/21)	
Topic 10: Partial Equilibrium – market structures and welfare measures	JR Chapter 4
Topic 11: General Equilibrium – in exchange and with production	JR Chapter 5

**FINAL EXAM:** *The final exam will be scheduled in coordination with the other Economics MA courses. Tentatively, it will be held **Wednesday, December 8.***