

ECO 394K/ECO 386E: Microeconomics
Unique Numbers 34870, 34874, 34930
Fall 2023 Syllabus

Lectures: Class meets on **Tuesdays and Thursdays, 11:00am-12:30pm in BRB 1.118**. We will meet in-person, when possible, with lectures recorded via Lectures Online.

Instructor: Dr. Stephanie Houghton
Email: shoughton@utexas.edu *Please email directly; do not use the Canvas Inbox.
Office: BRB 2.126
Office Hours: **Tuesdays, 1-2:30pm**, or by appointment. Zoom link on Canvas.

Teaching Assistant: Mu Yang Shin
Email: muyangshin@utexas.edu
Office: BRB 3.134G
Office hours: Thursdays 2:30-4pm
TA Session: **Fridays, 10:30-11:30am in BRB 2.136 (tentative)**

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.

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

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*.

Course Policies:

Attendance:

I want to foster a lively and engaging in-person experience and believe that collectively we will get the most out of the class if everyone attends in person. However, 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 and other illness on campus and in our community are vaccines, masks, and/or staying home if you are showing symptoms. I will make recordings and lecture notes available so that you can keep up with materials if you are home sick or otherwise isolating. If you are healthy, I expect students to attend class and participate.

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. 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 at Austin strives to create a dynamic and engaging community of teaching and learning where students feel intellectually challenged; build knowledge and skills; and develop critical thinking, creativity, and intellectual curiosity. As a part of this community, it is important to engage in assignments, exams, and other work for your classes with openness, integrity, and a willingness to make mistakes and learn from them. The UT Austin honor code champions these principles:

*I pledge, as a member of the University of Texas community, to do my work honestly, respectfully,
and through the intentional pursuit of learning and scholarship.*

The honor code affirmation includes three additional principles that elaborate on the core theme:

- I pledge to be honest about what I create and to acknowledge what I use that belongs to others.
- I pledge to value the process of learning in addition to the outcome, while celebrating and learning from mistakes.
- This code encompasses all of the academic and scholarly endeavors of the university community.

The honor code is more than a set of rules, it reflects the values that are foundational to your academic community. By affirming and embracing the honor code, you are both upholding the integrity of your work and contributing to a campus culture of trust and respect.

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 may facilitate 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 a grade impact for this 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, and need accommodations please contact Disability & Access (D&A). Please refer to the D&A website for more information: <http://diversity.utexas.edu/disability/>. If you are already registered with D&A, please deliver your Accommodation Letter to me as early as possible in the semester so we can discuss your approved accommodations and needs in this course.

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 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. 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.

Other University Resources: You are encouraged to review other resources on this University Canvas site:

<https://utexas.instructure.com/enroll/TP964H>

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 (8/22/23-10/10/23)	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: Revealed Preference	2.3
Topic 6: Decision Making Under Uncertainty	2.4

MIDTERM: Tentatively scheduled for October 10, 2023. Announcements will be made in class and on the course website well in advance once I can coordinate with other MA professors.

Part II: Producer Theory (10/12/22-10/31/23)	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 (11/2/23-11/30/23)	
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 held **Thursday, December 7, 2023 from 10-1pm.**