

## DEPARTMENT OF ECONOMICS AND INTERNATIONAL BUSINESS

### Economics 367: Intermediate Microeconomics, Summer I 2008

PREREQUISITES: ECO 230 or ECO 233

INSTRUCTOR: Donald Bumpass

Office: Smith-Hutson 241C

Office Hours: M-F 9:15-10 am and by appointment

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REQUIRED TEXT: Robert Pindyck and D. Rubinfeld, Microeconomics, 6th edition, Prentice Hall, 2005.

Suggested Supplements: Wall Street Journal, The Economist.

COURSE DESCRIPTION: Pricing and output policies of firms, factor pricing, and distribution under condition of perfect competition, monopoly, oligopoly, and monopolistic competition.

#### COURSE OBJECTIVES:

1. Develop the method and subject matter of microeconomics;
2. Analysis of the workings of a market economy and examine the effects of various market structures on the behavior of the firm;
3. Develop an understanding of how a price system operates to allocate resources;
4. Also, develop an understanding of the limitations of a market economy.

This course will (with your cooperation) provide you with a sound theoretical framework for understanding the economic system in which you must function as a consumer, employee, investor and manager. This theoretical framework will, in turn, provide you with some ability to explain the operation of individual markets and the market economy, and also some ability to predict the consequences of alternative events and decisions made by individuals, business managers, and government. This ability to predict is, of course, essential to sound decision making.

Good theory is very practical, so this course will emphasize theory, and without apology. Along the way, numerous applications demonstrating the explanatory and predictive power of microeconomic theory will be encountered.

#### EXPECTATIONS:

You are expected to: (1) carefully study the assigned reading material prior to each class; (2) attend class regularly and take notes; (3) work through the assigned review questions and assigned problems at the end of each chapter; (4) carefully review all relevant course material prior to each quiz and test, and (5) seek the assistance of the instructor when it is

needed. As I prepare the quizzes and tests, I will assume that all of these expectations have been fulfilled.

**COURSE EVALUATION PROCESS:**

Tests:

There will be three (3) tests during the term. Tests 1 and 2 will be worth 100 points each and may include essay-type questions, problems, and objective questions. The final examination will be worth 150 points, including approximately 50 points of comprehensive material.

Quizzes:

During the term (5) take home quizzes will be assigned. Each quiz will have a value of 25 points. Ten points will be deducted for each day the quiz is late. The instructor reserves the right to assign quiz material to be completed "in class."

Make-up Test:

In the event that a student is absent for a scheduled test, a single COMPREHENSIVE ESSAY, makeup test will be given toward the end of the semester.

Attendance:

Regular and punctual class attendance is expected; tests and quizzes are based on class presentations and also from text materials. Students can earn a maximum of 25 points based on class attendance. Points will be assigned as follows:

Classes Missed	Points
0-2	25
3	15
4	5
5 or more	0

Course Grade:

Final grades will be based on the percentage of total points obtained during the term. Averages will be determined as follows:

- 40% - two (2) tests
- 30% - comprehensive final test
- 25% - five (5) quizzes
- 5% - attendance

Letter grades will be assigned in the following manner:

90% and above	A
80% to 89%	B
70% to 79%	C
60% to 69%	D
Below 60%	F

**ACADEMIC DISHONESTY:**

All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including, but not limited to, cheating on an examination or other academic work which is to be submitted, plagiarism, collusion and the abuse of resource materials. For a complete listing of the university policy, see:

<http://www.shsu.edu/administrative/faculty/sectionb.html#dishonesty>

**STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY:**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Section 51.911 (a) (2) defines a religious holy day as: “a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20...” A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see:

[http://www.shsu.edu/%7Evaf\\_www/aps/documents/861001.pdf](http://www.shsu.edu/%7Evaf_www/aps/documents/861001.pdf)

**STUDENTS WITH DISABILITIES POLICY:**

It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the University. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance are expected to visit with the Office of Services for Students with Disabilities located in the Counseling Center. They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired. SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center. For a complete listing of the University policy, see:

[http://www.shsu.edu/%7Evaf\\_www/aps/811006.html](http://www.shsu.edu/%7Evaf_www/aps/811006.html)

**VISITORS IN THE CLASSROOM:**

Only registered students may attend class. Exceptions can be made on a case-by-case basis by the professor. In all cases, visitors must not present a disruption to the class by their attendance. Students wishing to audit a class must apply to do so through the Registrar's Office.

**ECONOMICS 367, INTERMEDIATE MICROECONOMICS, COURSE OUTLINE**

Summer I 2008

Week	Date	Chapters	Topics
1,2	6/3-6/4	1	Introduction to Microeconomics, Supply and Demand
3	6/5	2, 3	Supply and Demand, Elasticity
4,5	6/6-6/9	3, 4*	Consumer Choice, Market Demand
6	6/10	5*	Using Consumer Theory, Efficiency
7	6/11	Test 1	Chapters 1-6, class-notes
8	6/12	6	Firms and Production
9, 10	6/13- 6/16	7	Costs
11,12	6/17- 6/18	8	Competitive Firms and Markets
13,14	6/19- 6/20	9	Applying the Competitive Model
15	6/23	Test 2	Chapters 6-9, class notes
16	6/24	10, 11	Monopoly, Monopoly Power
17	6/25	12	Monopolistic Competition & Oligopoly
18	6/26	13*	Markets for Factor Inputs
19	6/27	14*	Markets for Factor Inputs
20	6/30	Class Notes	Wage Rates, Income Distribution and Poverty
21	7/1	Test 3	Final Examination Week: Eco 367.1 Tuesday, July 1 8-10 am; Chapter 10-14, class notes and selected comprehensive material *indicates that only portions of chapters will be covered