

THE UNIVERSITY OF FLORIDA
Department of Economics

Economics 3101
Spring 2021

Professor D. Sappington
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INTERMEDIATE MICROECONOMICS

PURPOSE OF THE COURSE

This course will cover the basic concepts and techniques that form the cornerstone of all microeconomic analyses. The course will devote considerable time to solving analytic problems. An understanding of calculus is important for your success in this course. You are advised to enroll in a different section of ECO 3101 if you are not comfortable with mathematical analysis.

COURSE MATERIAL

The required textbook for this course is: *Microeconomics*, by Robert Pindyck and Daniel Rubinfeld (Pearson, 2018, Ninth Edition).

You are also encouraged to review business articles online regularly and to read publications such as *The Wall Street Journal* or *Fortune* magazine.

COURSE WEB SITE

The class web site can be found at: *elearning.ufl.edu*. The site contains this year's problem sets, past examinations, and other information.

COURSE REQUIREMENTS

We will have two in-class examinations: one on February 22nd and one on April 5th. Attendance at both examinations is a course requirement. Each examination accounts for 40% of your final grade.

Homework assignments will account for 5% of your final course grade. Assignments must be turned in by the start of the class period, even if you are not in class that day. Please join a group of your classmates to work on problem sets (and to share class notes if you cannot attend class one day).

Participation in a class Stock Market Challenge is also required. The assignment related to this Challenge will count as four homework assignments.

Your performance on an Economic Analysis project will account for 15% of your final course grade. This project involves delivering a lecture about an economic issue of your choice, using the tools and concepts developed in class. The project is due on April 7th.

You are expected to attend every class session if you are healthy. (Please follow all university guidelines regarding COVID-19 safety.) If you have no more than one unexcused absence and your average score employing the weightings identified above exceeds 90, you will receive at least an A^- in the course. If this score exceeds 80, you will receive a course grade of at least B^- . If this score exceeds 70, you will receive a course grade of at least C^- . Each unexcused absence after the first can lower your final grade in the course by as much as one level (e.g., from a B to a B^-).

OFFICE HOURS

I will hold online office hours from 3:00 – 4:00 pm on Tuesdays and Wednesdays.

Shana Cui will be assisting with this course. She will hold online office hours on Fridays, from 2:00 – 4:00 pm. Shana's email address is shanacui@ufl.edu.

COURSE OUTLINE

The following is an outline of the major topics that will be covered in this course, along with the associated readings in the textbook by Pindyck and Rubinfeld (PR).

1. Overview and Review of Basic Demand and Supply Concepts. (PR, Chapters 1 – 2)
 - A. Elasticity of Demand and Supply.
 - B. Equilibrium and Disequilibrium.
 - C. Rationing and Government Intervention.
2. Consumer Behavior and Market Demand. (PR, Chapters 3 – 5)
 - A. Utility Maximization and Budget Constraints.
 - B. Income and Substitution Effects.
 - C. Derivation of Demand Curves.
 - D. Choice under Uncertainty.
3. The Behavior of Firms. (PR, Chapters 6 – 8)
 - A. Factors of Production and Production Functions.
 - B. Production Costs and Cost Minimization.
 - C. Profit Maximization.
4. Analysis of Competitive Markets (PR, Chapter 9)
5. Monopoly, Oligopoly, and Pricing with Market Power. (PR, Chapters 10 – 12)
6. Game Theory and Competitive Strategy. (PR, Chapter 13)
7. Markets for Factor Inputs. (PR, Chapter 14)
8. Investment Behavior. (PR, Chapter 15)
9. General Equilibrium and Economic Efficiency. (PR, Chapter 16)
10. Markets with Asymmetric Information. (PR, Chapter 17)
11. Externalities and Public Goods. (PR, Chapter 18)
12. Behavioral Economics. (PR, Chapter 19)