

THE UNIVERSITY OF FLORIDA
Department of Economics

Economics 3101
Spring 2019

Professor D. Sappington

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 practical 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).

This textbook is available through the UF All Access program. We will use the textbook, but not any accompanying materials.

One goal of this course is to help you understand and analyze current economic issues in the news. You are 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

There will be three examinations in this course: one on February 6th, one on March 18th, and one on April 17th. Each exam will be given during periods 1 and 2 (7:20 – 9:20 am). Attendance at each examination is a course requirement. Each examination accounts for 30% of your final grade.

Your performance on a current events project will account for 5% of your final course grade. This project involves assessing an interesting economic issue of your choice using the tools and concepts developed in class. You are encouraged to work in groups and to present your analysis in class. The current events project is due on April 8th.

Homework assignments will account for 5% of your final grade in the course. Homework problems will be assigned frequently. You are responsible for completing each problem set by its due date, even if you are not in class that day. (If you miss class one day, you should turn in the problem set due that day before the start of class.) You are encouraged to join a group of your classmates to work on problem sets together (and to share class notes if you cannot attend class one day).

You are expected to attend every class session. 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^- . More than one unexcused absence during the semester will lower your final grade in the course.

CONTACT INFORMATION

My office hours are on Mondays and Wednesdays from 7:30 – 9:00 am. My office is in 204 Matherly Hall. My telephone number is 392-3904, and my e-mail address is *sapping@ufl.edu*.

Shana Cui will be assisting with this course. She will hold office hours in 204 Matherly Hall from 4:00 – 6:00 pm on Tuesdays and from 10:00 am – 12:30 pm on Fridays. 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)