
ECON 400B: Advanced Microeconomics
Winter 2019
Lecture: Tue & Thu, 10:30-12:20, ECE 045

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Office Hours: Mon, 10:00-12:00, or by appointment
Course Website: <https://canvas.uw.edu/courses/1270227>

Course Description

This is an advanced course in microeconomic theory. We'll explore the development of theoretical models used in economics to analyze the behavior of consumers, firms, and markets. Our topics will mainly focus on the basic theories of consumer and firm behavior, perfect competition, imperfect competition (monopoly, oligopoly, and monopolistic competition), and decisions under uncertainty.

Prerequisites

You should have successfully completed ECON 300 and MATH 126, preferably with a minimum grade of 3.0. If you are not comfortable with using multivariate calculus, please reconsider this class.

Textbook and Readings

- The required text is *Microeconomic Theory: Basic Principles and Extensions (12th edition)* by Walter Nicholson and Christopher Snyder. You do not need to purchase any online access. Earlier editions and international editions have both been found to be acceptable substitutes by previous students.
- Weekly reading assignments will not be posted by me. You are expected to read the text according to your own schedule such that you can follow the class schedule.

Administrative Rules

- Checking your email account regularly is a must. I will often communicate with you via email.
- I do not recommend using laptops or tablets in class. This is to prevent you from distracting yourselves and others with “non-class-related” uses of these devices, as well as to encourage detailed note-taking.
- No make-up exam will be given out, except in the case of extreme emergency or illness (they will need to be documented, preferably with a doctor’s note, police report or similar), and the weight of the missed exam will be added toward the final exam.
- Class participation is strongly encouraged. Feel free to stop me and ask clarifying questions.

Grading Policy

Homework	0%
Midterm 1	20%
Midterm 2	30%
Final exam	50%

If X is your weighted average for the course, your final grade point average will be converted based on the following equation: $F(X) = \min\{0.075(X - 50) + 0.7, 4.0\}$ if X is greater than or equal to 50, and $F(X) = 0$ otherwise. Here are a few properties of the function $F(\cdot)$:

- If X is greater than or equal to 94, $F(X) = 4.0$.
- If X is lower than 50, then $F(X) = 0$.
- $F(X)$ is a linear function of X in the range $[50, 94]$ with a slope of 0.075.
- $F(X)$ is monotonically increasing and continuous in the range $[50, 100]$.
- $F(X)$ is not differentiable at $X = 50$ and $X = 94$.

Homework Assignments

Working problems is an essential part of learning economics. To give you practice in working problems, I will assign weekly problem sets. You may work on these assignments with your study groups, but please ensure that you know how to do each problem yourself from start to finish, as they are the best preparation for the exams. These assignments will not be collected and graded, and rough solutions will be posted along with the assignments.

Exams

There will be three exams in total, and the latter ones are cumulative. They will be graded for clarity and accuracy. Please mark your final answers and clearly show the steps you took to arrive at those answers. If you make any assumptions, state them up front. There will be no early exams or make-up exams given without a doctor's note or an excused absence for participation in university athletics. If you miss the final exam, your final exam grade will be 0; an incomplete grade for the class can be given with a doctor's note or a proper excuse provided to me before the final exam. As a rule, "cheat sheets", graphing calculators, and internet-capable devices are not allowed in exams, but you can use a simple calculator for the exams. I will not assign seats for the exam, so please plan your arrival time for exams accordingly.

Study Groups

You should form a study group with 2-3 fellow students. Please exchange contact information and plan to get together with these students throughout the quarter to work through homework assignments and prepare for the exams. Your study group should also be your first resource for notes and information when you miss a lecture. Please check with them before contacting your instructor.

Attendance

Attendance is not mandatory, but strongly encouraged. If you miss a class, please speak to someone in your study group to get the notes and consult the course website for important announcements as well as lecture notes. Do not email the instructor for class notes or to find out what you missed. Refer to the policy above for missed exams and assignments.

Disability Accommodations

The University of Washington (UW) is committed to providing access and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. Please contact

me as soon as possible if you have any documented disability and need accommodations. Information for documenting your disability can be found here: <http://depts.washington.edu/uwdrs/>

Student Athletes

If you will be missing any important dates for this course due to your athletic activities, especially exams, please approach me as early as possible and submit a list of such conflicts along with a letter from the athletics department. I will reasonably accommodate any student athlete who follows this guideline.

Plagiarism and Cheating

Plagiarism is defined as presenting others' work as one's own, and it is really bad! Any ideas or materials taken from another source should be fully acknowledged, unless the information is common knowledge. Any evidence of plagiarism will lead to zero credit to your work submitted and you may fail the course for serious offense. Cheating is also unfair to your classmates and very annoying to me. I can, and will, pursue the strictest of disciplinary actions against anyone caught cheating. In the past, this has resulted in students receiving a zero grade for the course.

For more details, please refer to the UW Student Conduct Code (WAC 478-120) and Economic Department Policy on Academic Conduct (http://econ.washington.edu/undergrad/academic_conduct/).

Course Outline

The schedule below is tentative and may be subject to change. Please follow my updates closely.

1. Mathematical Preliminaries (Chapter 2)
2. Preferences and Utility Maximization (Chapters 3 and 4)
3. Demand Relationships and Revealed Preference (Chapters 5 and 6)

Midterm 1: Thu, Jan 29, 2019, in class

4. Uncertainty and Asymmetric Information (Chapter 7)
5. Production Functions (Chapter 9)
6. Cost Functions and Cost Minimization (Chapter 10)
7. Profit Maximization (Chapter 11)

Midterm 2: Thu, Feb 21, 2019, in class

8. Monopoly (Chapter 14)
9. Strategy and Imperfect Competition (Chapters 8 and 15)
10. Partial Competitive Equilibrium (Chapter 12)
11. General Equilibrium (Chapter 13)

Final exam: Mon, Mar 18, 2019, 10:30-12:20, ECE 045

The following message is available from UW Human Resources.

UW Safe Campus

Preventing violence is everyone's responsibility. If you're concerned, tell someone.

Always call 911 if you or others may be in danger.

Call 206-685-SAFE (7233) to report non-urgent threats of violence and for referrals to UW counseling and/or safety resources. TTY or VP callers, please call through your preferred relay service.

Don't walk alone. Campus safety guards can walk with you on campus after dark. Call Husky Night Walk 206-685-WALK (9255).

Stay connected in an emergency with UW Alert. Register your mobile number to receive instant notification of campus emergencies via text and voice messaging. Sign up online at www.washington.edu/alert

For more information visit the Safe Campus website at www.washington.edu/safecampus