Course Description: Econ 201 deals with contemporary microeconomic theory. Building upon concepts developed in the principles level course, Econ 201 formalizes the theory using mathematical as well as graphical analysis. The course is designed for students who wish access to material covered in higher level micro or business school courses; Econ 201 is typically taken by students who intend to take a variety of upper level economics courses such as international trade theory, labor economics, etc. Students who pursue a business curriculum will find that microeconomics provides the theory for many approaches to decision-making in the business environment.

The course opens with a review of the market mechanism familiar from the principles course in micro. Next, a model of consumer behavior is generated to provide the basis for the demand curve of the market mechanism. This consumer model, which is based upon the utility maximization principle, is presented graphically using indifference curve analysis.

The behavior of firms is examined next. The short-run production function and resultant cost function of the firm is examined in detail. The four industry models of perfect competition, monopolistic competition, oligopoly, and monopoly are examined. In all cases the behavior of the firm is postulated given the assumption of a profit maximization motive. The long-run behavior of perfectly competitive firms is examined in order to construct the market supply curve of the market mechanism. Alternative motives to short-run profit maximization are explored. Oligopoly models of strategy provide a departure from graphical analysis; students will explore game theory and other techniques for modeling strategies resulting from mutual interdependence of firms.

General equilibrium analysis allows the student to observe the interdependence of the different markets examined in isolation during the semester. Finally, resource markets are examined with special emphasis upon labor markets.
Course Objective: The goal of Econ 201 is to develop a framework of analysis for understanding the behavior and outcomes resulting from activity in individual markets. Students will manipulate graphical and mathematical models that allow a more precise analysis than was possible at the principles level. The course will provide the student with analytical tools necessary for higher level courses that employ microeconomic theory.

Method of Instruction: Econ 201 is taught through a combination of lecture, discussion, homework and examinations. Since the class size is typically small, student participation comprises an ongoing part of the class pedagogy. Students should expect to routinely solve problems and explore graphical models at the blackboard. Homework assignments will involve periodic student presentations of current events relevant to the course.

Honor Code: Students should re-read the honor code since the honor code is strictly enforced in this course.

Texts to be Purchased by Student:

Examinations, Homework, and Quizzes: There will be two in-term exams and a final exam. Several homework/problem sets/writing prompts/announced quizzes/student presentations will be assigned during the semester.

Grading Policy: Exam I is worth 20% of the course grade. Exams II and III each accounts for 35% of the course grade. The homework/problem set/writing/prompt/quizzes/presentation component of the course accounts for the remaining 10% of the grade.

A = 94 up to 100
A- = 90 up to 94
B+ = 87 up to 90
B = 84 up to 87
B- = 80 up to 84
C+ = 77 up to 80
C = 74 up to 77
C- = 70 up to 74
D+ = 67 up to 70
D = 60 up to 67
F = 0 up to 60
Attendance Policy: Attendance is required and will be recorded during each class. Students who miss more than two classes will lose one point from their final class average for each miss in excess of two.

Make-up Examination Policy: Make-ups will be permitted only with written support (approved by the instructor) of serious situations that preclude the student's ability to take the exam during the scheduled time.

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 23-28</td>
<td>Thursday-Tuesday</td>
<td>Freshman Orientation</td>
</tr>
<tr>
<td>August 28</td>
<td>Tuesday</td>
<td>Registration of new and returning students; $25 late fee after this date</td>
</tr>
<tr>
<td>August 29</td>
<td>Wednesday</td>
<td>Classes begin</td>
</tr>
<tr>
<td>September 3</td>
<td>Monday</td>
<td>Labor Day Holiday</td>
</tr>
<tr>
<td>September 5</td>
<td>Wednesday</td>
<td>Last day for changing courses</td>
</tr>
<tr>
<td>September 24</td>
<td>Monday</td>
<td>Exam 1</td>
</tr>
<tr>
<td>October 3</td>
<td>Wednesday</td>
<td>Last day for dropping courses without academic penalty</td>
</tr>
<tr>
<td>October 8-9</td>
<td>Monday-Tuesday</td>
<td>Midsemester Break</td>
</tr>
<tr>
<td>October 17</td>
<td>Wednesday</td>
<td>Midterm deficiency reports due online</td>
</tr>
<tr>
<td>October 6, 8</td>
<td>Tuesday, Thursday</td>
<td>Preregistration for spring semester</td>
</tr>
<tr>
<td>November 21-23</td>
<td>Wednesday-Friday</td>
<td>Thanksgiving recess</td>
</tr>
<tr>
<td>December 10-11</td>
<td>Monday-Tuesday</td>
<td>Physical education exam on last day of class</td>
</tr>
<tr>
<td>December 11</td>
<td>Tuesday</td>
<td>Classes End</td>
</tr>
<tr>
<td>December 12</td>
<td>Wednesday</td>
<td>Reading Day</td>
</tr>
<tr>
<td>December 13-14, 17-19</td>
<td>Thursday-Friday, Monday-Wednesday</td>
<td>Final exams</td>
</tr>
</tbody>
</table>
Course Outline
Week 1; August 29-31
    Chapter 1. Microeconomics
Week 2; September 3-7 (Monday – Labor Day)
    Chapter 2. Consumer Tastes and Preferences
Week 3; September 10-14
    Chapter 3. Consumer Behavior and Individual Demand
    Chapter 4. Derivation of the Market Demand Curve
Week 4; September 17-21
    Chapter 6. The Firm and Its Technology
Week 5; September 24-28
    **September 24- Exam 1 (Chapters 1,2,3,4,6)**
    Chapter 7. Optimal Input Combination and Cost Functions
Week 6; October 1-5
    Chapter 8. Perfect Competition
    Chapter 9. Applying the Competitive Model
Week 7; October 8-12 (Break Oct. 8-9)
    Chapter 10. Monopoly
Week 8; October 15-19
    Chapter 11. Monopolistic Competition
    Chapter 12. Oligopoly and Game Theory
Week 9; October 22-26
    Chapter 12 (cont.)
    Chapter 13. Strategic Competition
Week 10; October 29-November 2
    **October 29th – Exam 2- Chapters 7-13**
Week 11; November 5-9
    Chapter 14. Price and Employment of Inputs
    Chapter 15. Investment Decisions
Week 12; November 12-16
    Chapter 16. General Equilibrium
Week 13; November 19-23 (Thanksgiving break 21-23)
    Chapter 17. Asymmetric Information
Week 14; November 26-30
    Chapter 18. Public Goods
Week 15; December 3-7
    Special Topics (TBA)
Week 16; December 10-11
    Review & Wrap-up

Final Exam