

**UNIVERSITY OF HAWAII  
DEPARTMENT OF ECONOMICS**

Economics 301  
**Intermediate Economics: Price Theory**  
Fall 2003  
TTh 10:30-11:45

Professor Theresa Greaney  
Saunders Hall 529  
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**Course Description:** Microeconomics describes the trade-offs faced by consumers, firms and workers in trying to get the most out of their limited resources. Decision-making and the concept of optimal trade-offs will be discussed as they relate to individuals and to groups within the economy. We will discuss how consumers, firms, workers and the government interact in a market economy. Note: This course satisfies the UHM Symbolic Reasoning requirement.

**Prerequisites:** Students should have completed Econ. 130 or 131 (preferably 130).

**Course Materials:**

1. Microeconomics, 5<sup>th</sup> edition, by Pindyck and Rubinfeld, 2001, Prentice-Hall, Inc., available at the UH Bookstore. Upon request, I will put one copy on reserve at Sinclair Library.
2. Text website: [www.prenhall.com/pindyck](http://www.prenhall.com/pindyck)
3. News articles on current topics to be distributed in class.

**Course Requirements and Evaluation Procedures:** Learning is not a passive process so students are expected to take an active approach to class meetings by arriving prepared to ask and answer questions, having read the assigned textbook and/or Internet materials prior to class. Students also should read (or at least skim) a national newspaper, such as the New York Times or Wall Street Journal, every day, paying particular attention to economics-related articles.

Grades will be determined by your performance on two midterm exams, a final exam, problem sets and class participation. Please be aware that no “extra credit” assignments will be given near the end of the term to make up for missed work earlier in the term. Therefore, make sure to meet all assignment deadlines.

**Midterm Exams 1 and 2: 25% of your grade**

**Final Exam: 35% of your grade**

The dates for the three exams are shown in the attached class schedule. Please arrange your schedules now so that you can attend all exam times. With the philosophy that “anyone can have a bad day”, the lower of your two midterm scores will be dropped in calculating your final course grade. Since you can drop one exam grade without penalty, no makeup midterm exams will be offered under any circumstances. The final exam is scheduled per university guidelines for this course and no alternative times will be offered except in extraordinary cases. If you want to take this course, make sure that you can attend the scheduled final exam.

The exams will involve multiple choice and short answer questions.

### **Problem Sets: 30% of your grade**

Problem sets based on the lectures and text will be assigned eight times during the term. Six of these eight problem sets will count towards your grade. These problem sets will be available through the text book website ([www.prenhall.com/pindyck](http://www.prenhall.com/pindyck)) by going to the 5<sup>th</sup> edition (5/e) section, study guide, chapter X, multiple choice questions. Each multiple choice problem set includes 20 questions for you to answer online. When you have finished answering the questions, have the problem set graded online, then email the result to me and to yourself for record-keeping. You must answer a minimum of 80% of the questions (16 out of 20) correctly in order to submit the problem set results to me. If you answer less than 80% correctly, redo the problem set, have it graded and submit the higher score to me. You may continue to redo your problem set until you get 100%, if desired, but only email me the ONE score that you want entered into my grade sheet. For each question, a hint is provided online and you may refer to your text for help in answering the questions. Redoing your own problem set multiple times before submitting your highest grade is perfectly acceptable. Submitting a problem set for another student, or giving another student a list of the answers to the problem sets is NOT acceptable. If I hear of cheating problems in using online technology to complete problem sets, I may revert to using a more traditional pencil and paper format.

The advantage of the online version is that you get immediate feedback on your answers and you get the chance to improve your score and, most importantly, your understanding of the material. For extra practice, you also can complete the multiple choice questions for chapters that I have not assigned and/or the essay questions for any of the chapters.

Problem sets results must be emailed (posted) to me by Thurs. midnight of the week they are due. Problem sets are generally due the Thurs. of the week after we cover the chapter in class (unless that is an exam week; in which case you will get an extra week to complete the problem set). Refer to the class schedule for assigned chapters and due dates. For example, the problem set for Chapter 2 is due Thurs., Sept. 4 by midnight. Since you have the option to not turn in up to 2 problem sets, late problem sets will not be accepted. Please get an early start on your problem sets so that you can take advantage of office hours to seek assistance if needed.

### **Class Participation: 10% of your grade**

As mentioned above, students are expected to come to class having actively read the assigned materials. By “active reading” I mean taking notes on important points or confusing points while reading. These notes will enable you to review your own notes on chapter highlights for the exams rather than trying to “cram” by rereading everything just prior to the exam. Active reading also will prepare you to ask and answer questions in class, and to benefit from others’ questions. In addition, specific discussion questions or debate preparation will be assigned periodically and your preparation for and participation in the planned discussions will be noted. I consider classroom participation to be crucial for your success in this course and will reward your efforts to be a good listener and prepared discussant accordingly.

Students who may need special consideration because of any sort of disability should make an appointment with me during the first two weeks of the term.

Be advised that all UH policies and procedures concerning academic honesty apply to this course. I will ask for the maximum penalty for any student caught cheating or engaging in other unethical behavior.

**APPROXIMATE SCHEDULE**

<u>Week--Tues. date (“*” indicates problem set due Thurs.; <b>bold</b> indicates exam week)</u>	<u>Topic</u>	<u>Textbook (“*” indicates problem set chapters)</u>
Aug. 26	Preliminaries, Basics of Supply & Demand	Ch. 1 & 2*
Sept. 2*	Consumer Behavior	Ch. 3*
Sept. 9*	Individual & Market Demand	Ch. 4.1-4.4
Sept. 16	Choice Under Uncertainty	Ch. 5*
Sept. 23*	Production	Ch. 6*
	<b>Midterm 1: Tues., Sept. 30</b>	<b>Ch. 1-5</b>
<b>Sept. 30</b>	Cost of Production	Ch. 7.1-7.4
Oct. 7*	Profit Maximization & Competitive Supply	Ch. 8*
Oct. 14*	Analysis of Competitive Markets	Ch. 9
Oct. 21	Market Power: Monopoly & Monopsony	Ch. 10*
Oct. 28*	Pricing with Market Power	Ch. 11.1-11.3
Nov. 4	Monopolistic Competition & Oligopoly	Ch. 12*
Nov. 11* (holiday on Tues.)	Markets for Factor Inputs	Ch. 14
	<b>Midterm 2: Tues., Nov. 18</b>	<b>Ch. 6-12</b>
<b>Nov. 18</b>	Markets for Factor Inputs, cont.	Ch. 14*
Nov. 25 (holiday on Thurs.)	General Equilibrium & Economic Efficiency	Ch. 16
Dec. 2*	Externalities & Public Goods	Ch. 18.1, 18.2, 18.5
Dec. 9 (last class day on Thurs.)	Review	
	<b>EXAM 2: Thurs., Dec. 18 9:45-11:45</b>	