Econ 301: Intermediate Microeconomics
Fall 2016

Subject to Revision

Gunter Meissner
Email: meissner@hawaii.edu
Phone: 779 3660

Office hours:
T, Th 10.45 - 11.45,
Saunders 521

Class time and location: MWF 8.30AM to 9.20AM, BusAd 203

Course Description:
Economics is a study of the use of scarce resources to satisfy human desires. Microeconomics is the branch of economics that studies how individuals, households, firms, and governments make decisions to allocate scarce resources, typically in markets where goods or services are bought and sold. In this course, we will expand on the basics learned in Microecon 130: We will discuss non-linear supply and demand curves and find the equilibrium price and quantity graphically and numerically. We will analyze and optimize human consumer decisions based on budget constraints and under uncertainty. We will discuss the types of markets and derive their pros and cons
Throughout the course, we will rely heavily on elementary algebra and graphical representation using Excel to support our studies and analyses.

Textbook:
Required:
Principles of Microeconomics (available for free at openstax)

Other materials:
PP slides, handouts
Excel, preferable Excel 2013

Course objectives: Upon completion of the course students should be able to
- Understand intermediate concepts Microeconomics using basic mathematics and Excel programming
- Know how humans optimize their consumer and investment decisions with budget constraints
- Understand human behavior under uncertainty
- Understand the role of the government in critical markets such as the housing market, labor market and market for food.

Grading System

Participation/Homework: 10%
Project: 30%
Presentation of Project: 10%
Midterm: 25%
Final: 25%

Grading

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Topics to be covered:

Week 1: Intro to Marco and Microeconomics
  - Why study intermediate Microeconomics:
    To understand human behavior in everyday situations.

Week 2: Supply and Demand
  - Non-linear Supply and Demand functions: Finding the equilibrium price numerically and graphically.

Week 3: The Labor Market, the Housing market, the Market for Food:
  - Do they follow the laws of supply and demand? Should the government intervene?

Week 3: Indifference curves and Optimization: How does Homer Simpson find his optimal Beer – Hot Dog combination given his low budget?

Week 5: Elasticities: Types and everyday Application

Week 6: Consumer behavior and Uncertainty. Is all future uncertain? How do consumers and investors deal with uncertainty?

Week 7: Risk = Quantified Uncertainty. What risk concepts exist to forecast and reduce economic and financial crises? Is the risk-averse behavior of consumers and investors irrational?
Week 8: **Midterm**

Week 9: Types of markets: Monopoly, Oligopoly, Polypoly; Pros and Cons of each
• Are monopolies really that bad? What about government monopolies?

Week 10: How do companies maximize their Profit, given Revenue and Cost? Do companies really maximize their Profits?

Week 11: Economies of scale and cost functions: Can we simply equate marginal cost with average total cost to derive the optimal quantity to produce?

Week 12: Human behavior and Financial Markets
• There are two emotions on Wall Street: Fear and Greed. Really?
• There are many black sheep in Finance (Bernie Madoff, Enron etc.). How to reduce financial crime.

Week 14: Game Theory: Cute but useless?

Week 15: **Final Exam**

Due to discussions in the class, some topics will be presented and discussed outside the allocated time slots.

**Class attendance**
Attendance is required for all class sessions.

**Homework assignments**
TBA

**Class Policies**
A. **Academic integrity**: Academic dishonesty shall be handled according to university policy. UH student conduct code provides good definitions of different conduct (http://studentaffairs.manoa.hawaii.edu/policies/conduct_code/). Penalties in this course will be at minimum that the student will fail that assignment or may be up to failing the course or be disenrolled from TIM school. Some example of misconduct that will result in these penalties include but not limited to:

a. **Plagiarism**: Each student’s work is expected to be **original** (if in case for a group work, the group’s work should be **original**).

b. Resorting to unauthorized resources during exams.

c. Using someone else’s work for one’s assignment that is supposed to be an individual work.
B. **Exams**: Take exams as scheduled. The exam will be given as scheduled (or announced in class). No make-up exam will be provided unless you were in either of the following situation in the exam period:

- Participating in the university or sponsored events or military obligation with a proof document
- Family emergency: only an immediate family member emergency will be accepted (official document – third party document we can follow up on)
- Medical emergency: with the doctor’s note indicating that the person could not come to the class that time

**Services to students with disabilities:**
If you are a student with a physical and/or mental disability and you have disability concerns, you are encouraged to contact the KOKUA program on the ground floor of the Queen Liliʻuokalani Center for Student Services. Syllabus/course description is also available in alternate format upon request for persons with print disabilities. KOKUA's phone number is 956-7511.

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