INTERMEDIATE ECONOMICS: PRICE THEORY

Spring, 2003
ECON 301 (002)
MWF 11:30 -12:20
Saunders, Room 541

Professor SH Lee

**Course Description:** Economics is broadly defined as a way of thinking about problems of allocation and decision-making. This course entails the use of intermediate microeconomic theory in the analysis of problems facing decision-makers, not only in business, but also in household, government and other profit/nonprofit organizations. This course covers the same material as in introductory microeconomics but a deeper level. Topics include demand and supply, consumer behavior, market demand, choice under uncertainty, production and cost, market supply, analysis of competitive markets, monopoly theory, monopolistic competition and oligopoly, game theory, factor markets, and market failure. ECON 130 and 131 are prerequisite for this course.

**Textbook:** *Microeconomics* by Pindyck and Rubinfeld (Prentice Hall) is required for the course.

**Grading:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 mid-term exam</td>
<td>2x22=44%</td>
</tr>
<tr>
<td>1 final exam</td>
<td>1x40=40%</td>
</tr>
<tr>
<td>8 homework and attendance</td>
<td>16%</td>
</tr>
</tbody>
</table>

There will be two midterm exams and one final exam. Each hourly mid-term exam will count for 22% and the final exam will count for 40% of the final grade. Eight homework assignments and class attendance will count for 16% of the final grade. Those homework assignments are designed to help you prepare more effectively for the exams, and will be discussed in class. Those homework assignments are due at the beginning of the class.

**Exam Policy:** Unless otherwise notified, there will be no makeup exams. You will receive grade 0.0 if you miss the final exam. Two mid-term exams will be at our regular class time. Final exam is scheduled at 12:00 - 2:00, May 16 (F).

**Help:** Office Hours: MW 9:00-10:30 or By appointment
Office: Saunders 512
Phone: 956-8590
E-mail: Leesang@hawaii.edu
Web: www2.hawaii.edu/~leesang/
Schedule

Ch.2     Demand and Supply-Review
Ch.2     Demand and Supply- Application
Ch.3     Consumer Behavior-Preferences
Ch.3     Consumer Behavior-Utility
Ch.3     Consumer Behavior-Budget Constraint
Ch.4     Analysis of Consumer Behavior-Individual and Market Demand
Ch.5     Choice under Uncertainty
First Midterm

Ch.6     Production-Short Run
Ch.6     Production-Long Run
Ch.6     Production-Returns to Scale
Ch.7     Costs-Short Run
Ch.7     Costs-Long Run
Ch.8     Competitive Market-Production Decision
Ch.9     Analysis of Competitive Market
Ch.9     Consumer Surplus vs. Producer Surplus
Ch.10    Monopoly
Second Midterm

Ch.11    Pricing-Price Discrimination
Ch.12    Oligopoly and Monopolistic Competition
Ch.13    Game Theory I
Ch.13    Game Theory II-Pricing Strategy
Ch.14    Input Markets-Factor Demand
Ch.15    Input Markets-Capital Markets
Ch.16    General Equilibrium
Ch.18    Externalities
Ch.18    Public Good

Final Exam