

ECON 306: INTERMEDIATE MICROECONOMICS

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ECON 306-003, 306-P03 (3 credits)
Fall 2020
Face-to-Face Meeting
Nguyen Engineering Building 1108

COURSE OBJECTIVES & LEARNING OUTCOMES

This course investigates core microeconomic principles and theories. The main goal is to introduce you to the economic way of thinking as it relates to microeconomic issues. A second aim is to help you use economic tools to understand and analyze how markets function. The economic way of think should be helpful to anyone who wants to understand and analyze socio-economic issues in a wide variety of contexts.

Generally, you will learn the fundamental theories of microeconomics, including equilibrium supply-demand analysis, utility and preference theory, theory of the firm, “imperfect” competition models, market failures, government failures, and many more. In addition to teaching the assumptions and logic of these theories, this course will investigate the applications of these theories to social phenomena. The goal of this course is for students to cultivate the economic way of thinking, developing the insight and intuition necessary to recognize when economic forces are at work in the world around them.

LEARNING OUTCOMES

Upon completion of this course, you will

1. Understand the economic way of thinking.
2. Understand the core principles and theories of microeconomics.
3. Be able to synthesize the economic way of thinking with a wide array of social issues and policies.

COURSE STRUCTURE & INFORMATION

We meet Tuesdays and Thursdays, 1:30-2:45pm, in Nguyen Engineering Building 1108.

Office hours: **Mondays and Wednesdays, 11:00 am - 1:00 pm**, on Zoom or by appointment. I am flexible and happy to work with you and around your schedule. Due to COVID-19, office hours and any other meetings will be online only. Here is the Zoom link, which is good for the whole semester:

<https://gmu.zoom.us/j/92950094339>

REQUIRED MATERIALS

Students will need to buy, rent, or borrow the following book:

- [Price Theory and Applications: Decisions, Markets, and Information](#), (PT&A) 7th Edition by Jack Hirshleifer, Amihai Glazer, and David Hirshleifer

Recommended books

- [Universal Economics](#) by Armen Alchian and William Allen
- [The Armchair Economist](#) by Steven Landsburg

Additionally, short readings and videos may be assigned during the semester as supplements to the main textbook and will be accessible online via links provided on the syllabus.

GRADING AND ASSIGNMENTS

Grades will be based on the following items:

- Weekly Quizzes (15% of total grade)
- Class Participation (5% of total grade)
- Problem Sets (15% of total grade)
- Exam I (20% of total grade)
- Exam II (20% of total grade)
- Final Exam (25% of total grade)
- Extra credit: (5% in addition to total grade)

Weekly Quizzes: There will be quizzes over the readings, starting in Week 2. Come to class prepared to take a quiz on the current day's readings. No late quizzes will be administered, so if you are late to class, you will not receive the quiz. If you have an excused absence (a doctor's note, for example), the quiz may be excused.

***If we move online for the semester, there will be weekly reading reactions due instead of quizzes. More information will follow if this situation arises.

Class Participation: There will be economic 'puzzles' asked in class, in addition to quizzes. These are meant to get you thinking about economics and to put 'the economic way of thinking' to the test. You should participate in these discussions and put in effort. You should also be attentive in class and ask questions on any content that is not clicking. Missing classes will harm your participation score, just as missing a quiz will harm your quiz score. If you have an excused absence (a doctor's note, for example), your participation grade will be unaffected.

Problem Sets: There will be anywhere from 10-15 problem sets throughout the semester. These will be announced and assigned in class, and they will be posted on Blackboard the day they are announced, as well. These are necessary for your understanding of the material and consequent success on the midterm and final exam.

Exams I and II: The exams will be multiple choice, true/false, and short answer, and administered in class. I reserve the right to have other forms of questions on the exam, like matching questions and essays. The topics covered on the test will be based on the readings, class lectures, and problem sets. If I did not discuss it in class, there is high likelihood it will not be on the exam.

These exams will **not** be cumulative. Make-up exams will only be given to students who contact me about an emergency *before the exam*.

Exam I will be given on **Thursday, February 25**, during normal class time, 1:30pm-2:45pm.

Exam II will be given on **Thursday, April 1**, during normal class time, 1:30pm-2:45pm.

***If we have moved online for the semester by this point, you will be required to take the exam via Respondus Lockdown. You must download this prior to the exam, here: <https://its.gmu.edu/knowledge-base/how-to-install-and-use-the-respondus-lockdown-browser/> I will not allow for excuses if you have not downloaded the Browser in time. It is your responsibility to be prepared.

Final Exam The exam will be multiple choice, true/false, and short answer. The topics covered on the test will be based on the readings and class lectures. This exam will be cumulative. There will be no make-up final exams, except for extreme circumstances that will be decided on a case-by-case basis.

The final exam will be on **Tuesday, May 4th, 1:30pm – 4:15pm.**

***If we have moved online for the semester by this point, you will be required to take the exam via Respondus Lockdown. You must download this prior to the exam, here: <https://its.gmu.edu/knowledge-base/how-to-install-and-use-the-respondus-lockdown-browser/> I will not allow for excuses if you have not downloaded the Browser in time. It is your responsibility to be prepared.

Extra Credit: if you would like extra credit, worth at most 5% extra to your total grade, you must read and write a 5-page book report on one of the following books. Only the most excellent of essays will receive the full 5%. This is due on **the last day of class, on Friday, April 30.** I will not accept extra credit assignments after this date. You may choose from one of the following books:

- Peter Leeson, “[WTF?](#)”
- Steven Landsburg, “[The Armchair Economist](#)”
- Terry Anderson, “[Free Market Environmentalism](#)”
- Chris Coyne, “[Doing Bad by Doing Good](#)”

Grading Scale

A+	97-100	B+	87-89	C+	77-79	D	60-69
A	93-96	B	83-86	C	73-76	F	<60
A-	90-92	B-	80-82	C-	70-72		

PREREQUISITES AND EXPECTATIONS

The recommended prerequisites for this class are ECON 103 and 104 and MATH 108 or 113. Differential calculus, more precisely understanding the concept of a derivative formally, graphically, and verbally, is vital to understanding some of the theories presented in this course. If you are not familiar with derivatives, here are some online sources that will help with the material covered in this class.

- Math is Fun: [Introduction to Derivatives](#), [Derivative Rules](#)
- Khan Academy: [Derivative as a concept](#), [Derivative as slope of curve](#), [Derivative notation review](#), [Power rule](#), [Basic derivative rules](#)

I also expect that you will treat your fellow classmates with respect, even if you disagree with them; reasonable minds can differ on any number of perspectives, opinions, and conclusions. Constructive disagreement sharpens our thinking and deepens our understanding; therefore, it is not only encouraged, but expected. All viewpoints are welcome in my class; however, no ideas are immune from scrutiny and debate.

Regular attendance is essential to successfully completing this course. As such, I expect you to attend all of the lectures. If you need to miss a class, it is your responsibility to obtain all lecture notes and assignments from one of your classmates. However, being that we are in the middle of a global pandemic, I will be very flexible with missed lectures. You need to communicate to me if there are any issues, and I will then be very happy to accommodate late work, excused work, etc. You are also responsible for frequently checking your GMU email.

SCHEDULED OUTLINE OF COURSE EVENTS

I reserve the right to make adjustments if it becomes necessary, but I will limit changes as much as possible. If a change to the schedule occurs, I will post an announcement in Blackboard and email you, so please be sure to check Blackboard and your GMU email regularly.

WEEK 1

January 26: Introduction: The Marvel of the Market!

- Syllabus review/class overview
- Introduction to the amazing world of economics

January 28: The Nature and Scope of Economics

- PT&A, Ch. 1
- Leonard Read, "[I, Pencil](#)" (scroll down a bit to find the start of the article)
- F. A. Hayek, "[The Use of Knowledge in Society](#)"

WEEK 2

February 2: Supply and Demand

- PT&A, Ch. 2, pp. 27-37

February 4: Disruptions to Supply and Demand: Taxes, Subsidies, Ceilings, and Floors

- PT&A, Ch. 2, pp. 39-49

WEEK 3

February 9: Supply and Demand: Finding an Optimum

- Marginalism and the Diamond/Water Paradox: watch this short [Ted Talk](#)
- PT&A, Ch. 2, pp. 49-59

February 11: Utility and Preference

- PT&A, Ch. 3, pp. 69-82

WEEK 4

February 16: Consumption and Demand: Indifference Curves and Finding an Optimum

- PT&A, Ch. 4, pp. 93-109

February 18: Indifference Curves: Income and Substitution Effects, Individual to Market Demand, Subsidies vs. Vouchers

- PT&A, Ch. 4, pp. 115-124

WEEK 5: EXAM I

February 23: Short discussion of elasticity; Catch-up and Review Class

- PT&A, Ch. 5, pp. 142-144
- Come to class with review questions for the exam
- No quiz today

February 25: **EXAM I**

- You will have all of class time to take the exam
- If we are all online by this point, you will take the exam via Respondus Lockdown

WEEK 6:

March 2: The Business Firm: Introduction

- PT&A, Ch. 6, pp. 157-175

March 4: The Business Firm: Finding an Optimum

- PT&A, Ch. 6, pp. 176-186

WEEK 7

March 9: Equilibrium in the Product Market: Zero-Profit Theorem & Benefits of Exchange

- PT&A, Ch. 7, pp. 201-207
- Uber and Consumer Surplus: Read [this Bloomberg Article](#)

March 11: Disruptions to the Product Market

- PT&A, Ch. 7, pp. 207-217

WEEK 8

March 16: Monopolies, Cartels, and Networks: Monopoly Optimum & Efficiency

- PT&A, Ch. 8, pp. 221-234

March 18: Monopolies, Cartels, and Networks: Regulation and Price Discrimination

- PT&A, Ch. 8, pp. 234-243

WEEK 9

March 23: Monopolies: Product Quality and Product Variety

- PT&A, Ch. 9, pp. 258-268
- Watch [this short video](#) on electricity monopolization

March 25: Dealing with Uncertainty: Risk and Information

- PT&A, Ch. 11, pp. 308-322

WEEK 10: EXAM II

March 30: Catch-up and Review Class

- Come to class with review questions for the exam
- No quiz today

April 1: **EXAM II**

- You will have all of class time to take the exam
- If we are all online by this point, you will take the exam via Respondus Lockdown

WEEK 11

April 6: Exchange, Transaction Costs, and Money

- PT&A, Ch. 14, pp. 410-414; pp. 429-431
- Watch [this video](#) and [this video](#) on comparative advantage

April 8: Free Trade and Free Movement of Peoples

- Read [this article](#) and **watch the video** at the bottom on free trade
- Read [this article](#) from the Economist on free movement of peoples (Economist has a paywall, but you can get it through the library)
- Read [this article](#) on free movement of peoples

WEEK 12

April 13: No Class

April 15: Welfare Economics: Goals of Policy; Market Efficiency & The Invisible Hand

- PT&A, Ch. 16, pp. 497-508
- RE-Read F. A. Hayek, "[The Use of Knowledge in Society](#)"

WEEK 13

April 20: Welfare Economics: Market Failures

- PT&A, Ch. 16, pp. 508-529

April 22: No Class

WEEK 14

April 27: Government, Politics, and Conflict: Government Failures

- PT&A, Ch. 17, pp. 538-543; pp. 546-548
- Watch [this video](#) and [this video](#) on rent-seeking

April 29: Last Lecture: Content Catchup and The Marvel of the Market Revisited

- No quiz
- Come to class with questions for the final exam

WEEK 15: Final Exam Week

- The final exam will be on **Tuesday, May 4th, 1:30pm – 4:15pm** in class
- The final exam will be administered in-person, unless we have moved all online, in which case it will be administered with Respondus Lockdown.

ACADEMIC INTEGRITY

Academic integrity is crucial for being both a good student and a good person. Cheating will be punished severely. Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Respondus Lockdown browser will be used to administer exams, but I expect you will not cheat by using textbooks or other electronics during the exams. Review the Mason Honor Code here: <https://oai.gmu.edu/mason-honor-code/>

I will not accept any documents, assignments, papers, etc. that are sent as corrupted files. You will immediately be deducted 10 points. You are responsible for ensuring the document you send me is properly working and uncorrupted.

DIVERSITY

GMU is committed to diversity. As I mentioned above, all viewpoints in class will be considered with respect, and all ideas are subject to economic scrutiny. Please be respectful in class to all ideas presented. There is large value to an inclusive learning experience – I truly believe we gain the most by interacting and discussing with others.

Please inform me of any days you will be unavailable due to religious observances. I am happy to accommodate you if I am made aware of your absence(s) ahead of time, within the first two weeks of the course. See the religious holidays calendar here: <https://ulife.gmu.edu/religious-holiday-calendar/>

TUTORING SERVICES

Unfortunately, due to COVID-19, tutoring services are currently unavailable. I am here to help you and can meet by appointment or during office hours. Tutoring may become virtually available and I will update you as more information becomes available.

STUDENT SERVICES

Keep Learning, Learning Services (learningservices.gmu.edu/keeplearning/)

- University Libraries (library.gmu.edu)
- Writing Center (writingcenter.gmu.edu)
- Counseling and Psychological Services (caps.gmu.edu)
- See a longer list of Mason student support services posted on The Stearns Center website.

TECHNOLOGY

NO LAPTOPS OR CELLPHONES SHOULD BE PRESENT DURING CLASS TIME. I find they are more disruptive to learning than they are helpful. Simply paying attention to the lecture and following along with the PowerPoint should serve as most beneficial way to learn the content.

Please familiarize yourselves with “Netiquette” at GMU. I you to be respectful and use proper etiquette when discussing any coursework online. See the [core rules of "Netiquette"](#).

SPECIAL ACCOMODATIONS

If you have a documented learning disability or other condition that may affect academic performance you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs. Please see me immediately following the first class so that we can work together

to make sure that you have what you need to succeed in this course. Visit <http://ds.gmu.edu/> for more information on resources available to students at GMU.

POLICY REGARDING AUDIO/VIDEO RECORDING & PICTURES

For the privacy and comfort of your fellow students, audio and video recordings, as well as photography, is strictly prohibited during class. However, I may be recording our in-class lectures to post for students who are out due to pandemic-related circumstances. If you have an issue with this, please let me know.

NOTICE OF MANDATORY REPORTING OF SEXUAL ASSAULT, VIOLENCE, AND STALKING

I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

PRIVACY

Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. See your rights under FERPA here: <https://registrar.gmu.edu/ferpa/>

Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.