

UNITED STATES NAVAL ACADEMY

Economics Department INTERMEDIATE MICROECONOMICS Fall 2005

FE341: Sections 1041 (TR 8th) and 3041 (TR 9th) both in NI032
Professor: Assistant Professor Pamela Schmitt
Office: Nimitz 73
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Office hours: **M 2nd and 4th periods and Friday 2nd and 3rd periods.** I teach M3, TR 8th, 9th, and 10th periods. Please make an appointment for any other time.
E-mail: pschmitt@usna.edu (the best way to reach me!)
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I. Course Description and Text

Intermediate Microeconomics is a core economics course which seeks to reinforce and build on the principles of microeconomics taught in FE210. The primary goal of this course is to understand the theory of microeconomics. Students should receive a toolbox they will use to approach microeconomic problems and to experience different microeconomic applications to which these tools can be applied. Most of the tools/techniques presented will be mathematical and graphical in nature. The course will be primarily lecture based. When it is appropriate in-class problems, news articles, and experiments will be used to emphasize a learning objective, application, or theory. A student will excel in this course by coming to class prepared (having completed the reading before class and attempted the homework assignments).

Text

Microeconomics, 6th ed. by Pindyck and Rubinfeld, Prentice Hall.

II. Grading

There will be two semester exams, a final exam, homework assignments, a library research project and an application paper. The exams will be scheduled for administration on the dates marked on this course syllabus. Each exam will cover designated chapters from the textbook and class notes. Questions may be drawn from topics mentioned in class, from the textbook, and from the class notes. The length and description of each exam will be announced in class.

Some of the questions on the exams will require the use of a calculator. You may bring your calculator to each exam. The calculator should be able to compute higher mathematical functions, but **cannot be programmed** to contain economic definitions or formulas **or used in text mode**.

Library Research Project

You will be required to complete a self-contained library research project. The intention of this project is to introduce you to, and encourage you to use, the many research resources our library has to offer.

Application Paper

You will be required to write a 2 – 3 typed page (double-spaced) application paper. Your paper should describe an original, real-world example of the theories presented in class. Your example may come from a newsworthy source (such as the *New York Times*, *Newsweek* or the *Wall Street Journal*) or from a personal experience. Your grade will be based on your example, how you tie this example to economic theory, and overall writing style (more heavily weighted on the first two portions).

Homework Assignments

Students will be required to submit problem sets. The problems will be handed out in class (and will be available on the class webpage) and will frequently be problems from your text. Although students are encouraged to work in groups, every student is responsible for handing in their own assignment ***in their own words***. Assignments must be turned ***in to me at the beginning*** of the class period in which they are due. There is no exception to this. **I will not take late assignments**. The answers to the homework assignments will be posted on the web immediately after class.

Participation

The instructor's evaluation will be determined by class participation. Positive class participation includes, but is not limited by, contributing to discussion (daily preparation) and incorporating the textbook and any newsworthy materials. Negative class participation includes, but is not limited by, talking with your classmates during lecture (or any disruptive behavior) and sleeping during class.

Thus, grades will be based on an in class lecture, pre- and post-class problem sets, three midterm exams, and a research paper.

<u>Graded Assignment</u>	<u>Points</u>
Midterm Exam I	25%
Midterm Exam II	25%
Final Exam	35%
Library Research Project	5%
Application Paper	5%
<u>Post-class problems /Instructor Evaluation</u>	<u>5%</u>
Total	100%

The grading scale is as follows:

A	90% – 100%
B	80% – 89%
C	70% – 79%
D	60% – 69%
F	– 59%

There will be no other opportunities to earn points for this course. No extra-credit will be offered.

Make-up Exams

If you are committed to attend an event during a FE341 exam time, such as an athletic meet, musical performance, movement orders, or have watch in Bancroft Hall, then you must **arrange in advance (by e-mail at a minimum)** to take the exam *before* the scheduled exam date. If you are SIR, then you must arrange *in advance (by e-mail at a minimum)* to take the exam *after* the scheduled exam date.

Without notification prior to the exam, you will not be permitted to reschedule the exam.

Likewise, if you have an unexcused absence (as noted in MIDS) you will not be permitted to reschedule the exam.

Regardless, you will have **only two days after** the scheduled exam to take the exam or you will have to take a make up exam during the last week of classes.

Honor Code

This course is taught under *The Honor Concept of the Brigade of Midshipmen*. Midshipmen of the United States Naval Academy agree to accept the responsibilities for honorable conduct in that "Midshipmen are persons of integrity: They stand for that which is right" in all academic activities.

Students must not give or receive aid on exams. This includes, but is not limited to, viewing the exams of others, sharing answers with others, and using books or notes while taking the exam. It also includes discussing the exam in order to help those who are taking it at a later time or date.

Course outline/Topics covered (in chronological order with approximate time)

Part 1: Introduction: Markets and Prices

Week 1: August 23 and 25

Chapter 1 – Preliminaries

Chapter 2 – The Basics of Supply and Demand

Part 2: Producers, Consumers, and Competitive Markets

Week 2: August 30 and September 1

Chapter 3 – Consumer Behavior

Week 3: September 8

Chapter 4 – Individual and Market Demand and the Appendix

Week 4: September 13 and 15

Chapter 4 – Individual and Market Demand and the Appendix

Chapter 5 – Uncertainty and Consumer Behavior

Week 5: September 20 and 22

Chapter 6 – Production

*******EXAM 1*******

Week 6: September 27 and 29

SEPTEMBER 27th – Exam 1 – Chapters 1 – 6

Chapter 7 – The Cost of Production and the Appendix (omit sections 7.6, and 7.7)

Week 7: October 4 and 6

Chapter 7 – The Cost of Production and the Appendix (omit sections 7.6, and 7.7)

Chapter 8 – Profit Maximization and Competitive Supply

Week 8: October 11 and 13

Chapter 8 – Profit Maximization and Competitive Supply

Chapter 9 – The Analysis of Competitive Markets

Week 9: October 18 and 20:

Chapter 9 – The Analysis of Competitive Markets

Part 3: Market Structure and Competitive Strategy

Chapter 10 – Market Power: Monopoly and Monopsony (omit section 10.6)

Week 10: October 24 and 27

Chapter 10 – Market Power: Monopoly and Monopsony (omit section 10.6)

Chapter 11 – Pricing with Market Power (omit 11.6 and the Appendix)

*******EXAM 2*******

Week 11: November 1 and 3

Chapter 11 – Pricing with Market Power (omit 11.6 and the Appendix)

NOVEMBER 3rd – Exam 2 – Chapters 7 – 11

Week 12: November 8 and 10

Chapter 12 – Monopolistic Competition and Oligopoly

Week 13: November 15 and 17

Chapter 13 – Game Theory and Competitive Strategy

Omit Chapter 14

Week 15: November 22

Chapter 15 – Investment, Time, and Capital Markets

Omit Chapters 16 and 17

Week 16: November 29 and Dec 1

Chapter 18 – Externalities and Public Goods

Week 17: December 6 and 8

Review

FINAL EXAMS: DECEMBER 9 – DECEMBER 17