

**USC Dornsife**

College of Letters, Arts and Science

**Econ 303 Intermediate Microeconomic Theory**  
**4 Units | Fall 2015**

**Section 26083R - Mon, Wed 4-5:50 KAP 144**

**Section 26085R - Tue, Thu 4-5:50 MHP 105**

**Instructor: Ergin Bayrak**

**Office:** KAP 116C

**Office Hours:** Mon, Wed 2:30-3:30 and by appointment

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**Teaching Assistants:**

Office Hours: TBD

### **Course Description**

This is an intermediate level course in microeconomic theory. Topics that will be covered include the theory of the consumer (utility maximization and demand), the theory of the firm (cost minimization/profit maximization and supply), market structure (competition, monopoly, oligopoly), game theory (strategic interaction between economics agents) and market failures (asymmetric information, externalities and public goods). This course will build on the aptitudes attained in Econ 203-205 and Math118 and is intended to improve the essential economic thinking skills of the students, enabling them to discern, comprehend and confront the major microeconomic issues.

### **Learning Objectives**

Successful completion of this course will result in a) Ability to intelligently observe and explain the functioning of markets, failures therein, and the justifications and consequences of various types of economic policies, and b) Ability to apply the critical economic thinking skills to analysis of consumer and firm behavior and their (strategic) interactions.

**Prerequisite(s):** Econ 203, 205 Math 118

### **Required Readings and Supplementary Materials**

Pindyck and Rubinfeld, Microeconomics (8th Ed.) Prior edition of the textbook is sufficient as well. In addition to the chapter assignments from the textbook, additional readings, and audio/visual supplementary material may be provided for critical analysis and discussion. Materials will be available on the class website.

### **Description and Assessment of Assignments**

The final grade in this course will be based on 4 in-class quizzes and 4 homework assignments, one midterm and one final. These tests will include short answer questions that are designed to test your ability to concisely and effectively articulate your understanding of the course material, and analytical problems that are designed to test your mathematical and analytical understanding of the course material. A legible, stapled hard copy of the assignments will need to be submitted in the beginning of the class on the day it is due. Late submissions will not be accepted. A formal written excuse for an absence is required to arrange for make-up tests.

	<b>% of Grade</b>
4 Assignments	20%
4 quizzes	20%
Midterm	25%
Final	35%

## Course Schedule: A Weekly Breakdown

<b>Week</b>	<b>Topic</b>	<b>Readings</b>
Week 1.	Course overview and Introduction	CH 1
Week 2.	Understanding Markets: Demand, Supply and Equilibrium.	CH 2
Week 3.	Analysis of Elasticity and Market Intervention	CH 2 , 9
Week 4.	Understanding Consumer Behavior I Preferences and Constraints	CH
Week 5.	Understanding Consumer Behavior II From Consumer Choice to Market Demand	CH 3-4
Week 6.	Understanding Firm Behavior I Productivity and Costs	CH 6-7
Week 7.	Understanding Firm Behavior II Profit Maximization and Competitive Supply	CH 8
Week 8.	Review and Midterm	
Week 9.	Competitive Markets	CH 8 - 9
Week 10.	Market Power and its Consequences I Monopoly	CH10
Week 11.	Market Power and its Consequences II Pricing with Market Power	CH 11
Week 12.	Market Power and its Consequences III Monopolistic Competition and Oligopoly	CH12
Week 13.	Game Theory Strategic Decision Making in Economics Environments	CH 13
Week 14.	Market Failures Asymmetric Information, Externalities and Public Goods	CH 17-18
Week 15.	Course Review	

Final Examination: For the date and time of the final exam for this class, consult the final examinations schedule on the USC Schedule of Classes website at [www.usc.edu/soc](http://www.usc.edu/soc)

## Statement on Academic Conduct and Support Systems

### Academic Conduct

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage [sarc@usc.edu](mailto:sarc@usc.edu) describes reporting options and other resources.

### Support Systems

A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* [http://sait.usc.edu/academicsupport/centerprograms/dsp/home\\_index.html](http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html) provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.