

# Econ 303 Intermediate Microeconomic Theory

Section 26086

Units: 4 Units

Spring 2025 — Mon, Wed—2:00-3:20 pm

Location: THH 116

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## **Course Description**

This course provides a comprehensive exploration of key intermediate-level microeconomic theories, including consumer and firm behavior, market structures (competition, monopoly, oligopoly), and pricing strategies. The emphasis will be on understanding the theoretical frameworks and models that underpin these concepts, with a focus on rigorous analysis and logical reasoning. Building on these models and concepts, we will explore topics such as factor markets, uncertainties and market failures. Quantitative methods will be introduced to understand the trade-offs associated with government interventions, and we will examine how these analyses can inform policymaking. This course aims to equip students with the theoretical and analytical skills needed to evaluate and forecast the behavior of consumers, firms, and markets, enabling students to critically analyze economic challenges and propose solutions.

## **Learning Objectives**

Students who successfully complete this course will be able to:

- a) Demonstrate a comprehensive understanding of key microeconomic theories, explaining theoretical economic models, market functions, and the justifications and consequences of economic problems and policies.
- b) Apply critical economic thinking skills to analyze economic questions and policies.
- c) Develop proficiency in mathematical and graphical tools used in microeconomic analysis.
- d) Enhance problem-solving skills through rigorous analytical exercises and applications.

## **Prerequisite(s)**

Econ 203, and Math 118

## **Required Readings and Supplementary Materials**

Goolsbee, Levitt and Syverson: Microeconomics (fourth/third Edition)

You can buy the used version within 50 dollars. Different edition of the textbook works as well but you should know that the problem sets might be different across versions. In addition to the chapter assignments from the textbook, additional readings, and audio/visual supplementary material may be provided for discussion. Materials will be available on the Brightspace website.

## Course Schedule

|                      | Topics/Daily Activities                         | Readings and Homework | Deliverable/ Due Dates                  |
|----------------------|---|-----------------------|---|
| Week 1               | Course overview and Introduction                | CHP1                  | January 13                              |
|                      | Supply and Demand                               | CHP2                  | January 15                              |
| Week 2               |   |                       | January 20 (No Class, MLK Day)          |
|                      | Market Equilibrium                              | CHP2                  | January 22                              |
| Week 3               | Market Analysis based on Supply and Demand      | CHP3                  | January 27                              |
|                      | Preference and Utility Functions                | CHP4                  | January 29                              |
| Week 4               | Constrained Consumer Choice                     | CHP4                  | February 3                              |
|                      | Consumer Theory: Influences of Income and Price | CHP5                  | February 5*                             |
| Week 5               | Production Theory                               | CHP6                  | February 10                             |
|                      | Costs I   | CHP7                  | February 12                             |
| Week 6               |   | CHP8                  | February 17 (No class, President's Day) |
|                      | Costs II  | CHP8                  | February 19                             |
| Week 7               | Review  | Go through CHP1-8     | February 24                             |
|                      | <b>Midterm Exam</b>                             | <b>CHP1-8</b>         | February 26                             |
| Week 8               | Competitive market I                            | CHP9                  | March 3                                 |
|                      | Competitive market II                           | CHP9                  | March 5                                 |
| Week 9               | Market Power and Monopoly                       | CHP11                 | March 10                                |
|                      | Monopoly and Profit Maximization                | CHP11                 | March 12 *                              |
| <b>Spring Recess</b> |   |                       | March 16-23                             |
| Week 10              | Imperfect Competition: Oligopoly                | CHP10                 | March 24                                |
|                      | Imperfect Competition: Monopolistic Competition | CHP12                 | March 26                                |
| Week 11              | Pricing Strategy I                              | CHP13                 | March 31                                |
|                      | Pricing Strategy II                             | CHP13                 | April 2                                 |
| Week 12              | Factor Markets – Labor Market                   |                       | April 7                                 |
|                      | Factor Markets – Imperfect Competition          | CHP14                 | April 9                                 |
| Week 13              | Investment, Uncertainty and Insurance I         | CHP16                 | April 14 *                              |
|                      | Investment, Uncertainty and Insurance II        | CHP17                 | April 16                                |
| Week 14              | Market failures: Asymmetric information I       | CHP15                 | April 21                                |
|                      | Market failures: Asymmetric information II      |                       | April 23                                |
| Week 15              | Market failures: Externalities and Public Goods |                       | April 28                                |
|                      | Course review                                   |                       | April 30 *                              |
| <b>FINAL</b>         | <b>Final Exam</b>                               |                       | Thursday, May 12, 2 p.m.-4 p.m.         |

Dates marked with \* symbols represent the dates you should submit your assignments before 5 pm.

## Assessment

Your final grade in this course will be based on four homework assignments (assigned approximately every 4 weeks), one midterm, and one final exam. These assessments will include short-answer questions designed to evaluate your ability to clearly and concisely demonstrate your understanding of the course material, as well as analytical problems that test your mathematical and analytical skills.

An organized and legible solutions to the assignment must be submitted by 5 pm on the due dates. **Late submissions will not be accepted.**

# Grading

## 1. Grading Breakdown

Participation should be no more than 15%, unless justified for a higher amount. All must total 100%.

| Assignments & exams | % of Grade |
|---------------------|------------|
| 2 in-class quizzes  | 2*5%       |
| 4 assignments       | 4*10%      |
| Midterm exam        | 20%        |
| Final exam          | 30%        |
| Total               | 100%       |

## 2. Grading Scale

Course final grades will be determined using the following scale

| Grade      | A   | A-  | B+  | B   | B-  | C+  | C   | C-  | D+  | D   | D-  | F   |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Percentage | ≥90 | ≥85 | ≥80 | ≥75 | ≥70 | ≥65 | ≥60 | ≥55 | ≥50 | ≥45 | ≥40 | <40 |

**Cumulative percentage scores will not be rounded.** If your cumulative percentage score is 89.9999, that's an A- and not an A. At the end of the semester, when final cumulative scores and course grades are posted, please do not email me with a request to round up your cumulative percentage score.

## 3. Missed exams and incomplete grades

**No makeup midterms or finals will be given for any reason (excused or unexcused).** If a student misses a midterm exam and submits a valid excuse, then the midterm's grade will constitute 0% of her/his grade and its weight will be assigned to the final exam. If a student misses the final exam with a valid excuse, the student will have to take an incomplete for the course provided.

The following explanation further clarify our grading policies:

- (1) What is the USC registrar's definition of an emergency?

USC registrar's definition of an emergency is: "A situation or event which could not be foreseen and which is beyond the student's control, and which prevents the student from taking the final examination or completing other work due during the final examination period."<sup>1</sup>

(2) What happens if I miss the final exam for a reason that meets the USC registrar's definition of emergency?

According to USC guidelines, "no student is permitted to omit the [final examination]."<sup>2</sup> Per the guidelines, in case of "a documented illness or other [event that meets the registrar's definition of emergency] occurring after the withdrawal deadline for the course," an incomplete grade will be assigned.<sup>3</sup> Thus, if you miss the final exam for a reason that meets the USC registrar's definition of emergency, you will be assigned an incomplete grade for the course.

## **Attendance**

Attendance and participation are mandatory for both lectures and discussion sessions but are not graded. However, there are two in-class quizzes that are exclusive to in-person attendees. Missed quizzes cannot be made up afterward. If you miss the first quiz for a valid reason, its weight will be transferred to the next quiz. If you miss the second quiz with a valid excuse, its weight will be shifted to the final exam. However, if there is no valid reason for missing the quizzes, a score of 0 will be assigned for the corresponding quizzes.

## **Additional Policies**

The course will be conducted in person, and there will be no Zoom recordings available.

## **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 Part B, Section 11, "Behavior Violating University Standards" [policy.usc.edu/scampus-part-b](https://policy.usc.edu/scampus-part-b). Other forms of academic

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<sup>1</sup> See [USC Grading and Correction of Grades Handbook](#), p. 13.

<sup>2</sup> See [USC Grading and Correction of Grades Handbook](#), p. 7.

<sup>3</sup> See [USC Grading and Correction of Grades Handbook](#), p. 13.

dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

### **Support Systems:**

*Student Counseling Services (SCS) – (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[engemannshc.usc.edu/counseling](http://engemannshc.usc.edu/counseling)

*National Suicide Prevention Lifeline – 1 (800) 273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. [www.suicidepreventionlifeline.org](http://www.suicidepreventionlifeline.org)

*Relationship and Sexual Violence Prevention Services (RSVP) – (213) 740-4900 – 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. [engemannshc.usc.edu/rsvp](http://engemannshc.usc.edu/rsvp)

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: [sarc.usc.edu](http://sarc.usc.edu)

*Office of Equity and Diversity (OED)/Title IX Compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class. [equity.usc.edu](http://equity.usc.edu)

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. [studentaffairs.usc.edu/bias-assessment-response-support](http://studentaffairs.usc.edu/bias-assessment-response-support)

*The Office of Disability Services and Programs*

Provides certification for students with disabilities and helps arrange relevant accommodations. [dsp.usc.edu](http://dsp.usc.edu)

*Student Support and Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. [studentaffairs.usc.edu/ssa](http://studentaffairs.usc.edu/ssa)

*Diversity at USC*

Information on events, programs and training, the Diversity Task Force (including representatives for each school), chronology, participation, and various resources for students. [diversity.usc.edu](http://diversity.usc.edu)

*USC Emergency Information*

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. [emergency.usc.edu](http://emergency.usc.edu)

*USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.*

Provides overall safety to USC community. [dps.usc.edu](http://dps.usc.edu)