Economics 303H-101: Intermediate Microeconomics (Honors)  
Spring Semester 2014

Instructor: Paul E. Gabriel  
Office: Room 532, 1 East Pearson (Maguire Hall)  
Office Hours: Tuesday & Thursday, 2:00 – 4:00 p.m., and by appointment  
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Course Schedule: Tuesday & Thursday, 11:30 am – 12:45 pm, Maguire Hall, room 401

Course Prerequisites: Admission to the Quinlan School’s Honors Program; Sophomore standing, minimum grade of C- in ECON 201 and 202; Math 131 is recommended.


Course Description:  
This course applies the basic tenets of Neoclassical economic theory to the study of consumer and firm behavior. The interactions of these economic agents are explored within a variety of market structures.

Course Objectives and Learning Outcomes:  
This course utilizes the tools of microeconomic theory to examine how firms and other economic agents achieve their objectives. An important goal of this course is to provide a logical and rational perspective for analyzing business problems. The students will develop analytical skills to understand and predict consumer and firm behavior, and evaluate dynamic market strategies.

Grading System:  
Your course grade will be based on a combination of examinations and written assignments. There will be two examinations during the semester, and a final examination. Each exam is worth 25% of your final grade. Thus, examinations count for 75% of your course grade. The remaining 25% is determined by one book review (10%) and one essay assignment (15%). The guidelines for the book review and essay are given below. Please note that late assignments are not accepted.

Grading Scale:  
92% - 100% A  79% - 81% B-  67% - 68% D+  
89% - 91% A-  77% - 78% C+  60% - 66% D  
87% - 88% B+  72% - 76% C  0% - 59% F  
82% - 86% B  69% - 71% C-
Important Dates:

- *February 13* (Thursday) Exam 1
- *March 27* (Thursday) Exam 2
- *April 10* (Thursday) Book Review Due
- *April 24* (Thursday) Essay Assignment Due
- *April 29* (Tuesday) Final Exam (9:00 – 11:00 a.m.)

### Quinlan School of Business Policies:

#### Attendance

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. The student is responsible for any assignments or requirements missed during an absence.

#### Make-Up Examinations

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. If you miss an exam during the semester, the weight of that exam is shifted to the final. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician's note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). Make-up exams will not be scheduled if the graded exam has been returned to the class. A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

#### Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:

General Guidelines for the Book Review Assignment
Now is a good time to start thinking about a book to read for your review; suggested titles include:

**The Undercover Economist** by Tim Harford  
**Nudge** by Richard H. Thaler and Cass R. Sunstein  
**Why Popcorn Costs So Much at the Movies** by Richard B. McKenzie  
**The Price of Everything** by Eduardo Porter  
**Predictably Irrational** by Dan Ariely  
**The Why Axis** by John A. List and Uri Gneezy

If your chosen book is not on this list, your choice must be approved by me. I am looking for titles that will enhance or supplement your understanding of microeconomics.

Your review should be 3 - 4 pages (double-spaced) and utilize appropriate methods of citation. The review should address the following points (please try to keep in this order):

1. Briefly summarize the main points of the book in your own words.
2. What was your favorite part / topic in the book? Why?
3. What was your least favorite part / topic in the book? Why?
4. Explain how (or if) the book enhanced your knowledge or understanding of microeconomics.
5. Would you recommend this book to others and, if so, what audience might benefit from reading it?

General Guidelines for the Essay Assignment
Your essay should be between 6 - 8 pages (double-spaced) and be properly referenced, with at least 3 sources other than the textbook. Please refer to the lists below for suggested reference sources. The essay should address a current microeconomic topic (see examples below), and, where appropriate, discuss the link between your topic and the economic models or tools we covered in class or are covered in the text. The choice of topic may affect the organization of your essay.

**Possible Essay Topics:**
Pricing strategies within markets (e.g., price discrimination)  
Market organization and market concentration (for a particular industry or regional market)  
Consumer behavior in particular markets (industries)  
Technological innovation (impact on firms, consumers or markets)  
The market implications of “Out-sourcing”  
The changing nature (composition) of costs  
Recent market fluctuations in an industry (or regional market)  
Behavioral Economics
Possible Reference Sources for Essay Assignment:

**Academic Journals**
There are several excellent generalist economics journals which publish articles on microeconomic topics:

- The American Economist
- Challenge: The Magazine of Economic Affairs
- The Journal of Economic Perspectives
- The Journal of Economic Literature

**Other Sources**
There are numerous other professional general interest publications for students of microeconomics. The *Harvard Business Review*, the *Economist*, the *Wall Street Journal*, and the *New York Times* are good sources of information and often contain articles on current microeconomic issues. The references outlined here are simply suggested sources for your paper. There are other sources available (e.g., online journals), depending upon your topic. If you have questions, please see me for help.
Economics 303H
Course Outline and Reading Assignments*

I. Consumer Theory and Market Demand**
   Chapter 3 (sections 3.1 – 3.3, & 3.5)
   Chapter 4 (sections 4.1 – 4.4, & 4.6)
   Chapter 5 (section 5.6)
       Additional Course Material on Elasticity, Market Demand and Revenue Functions

II. The Theory of Production and Cost
   Chapter 6
   Chapter 7 (sections 7.1 – 7.4, plus appendix)
       Additional Course Material on Production and Cost Functions

III. The Analysis of Market Structures
   Chapter 8 (sections 8.1 – 8.7)
   Chapter 10 (sections 10.1 – 10.4)
   Chapter 11 (sections 11.1 – 11.2)
   Chapter 12 (sections 12.1 – 12.2; 12.6)
       Additional Course Material on Competitive and Non-competitive Pricing Models

IV. Input Markets and Factor Demand
   Chapter 14

*Further reading assignments, and adjustments to the course outline, may be made in class. The time spent on a topic will depend on class progress and interest.

** If you feel the need for a quick refresher on the basic supply and demand model, please review Chapters 1 and 2 of the text.