

# ECON 307-A: INTERMEDIATE MICROECONOMICS

Spring 2025

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<b>Instructor:</b>	Jason Ralston	<b>Time:</b>	MW 1:00 PM - 2:20 PM
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**Class Structure:** With the constraints places on us by COVID-19 and its variants during the Spring 2022 semester, I have tried to make class materials as accessible – and myself as accommodating – as possible. To that end, I will be digitizing and posting some notes from the class as PDFs online.

In general, classes will be divided between theory and discussion. That is, some classes will be entirely theory oriented, and others will be entirely dedicated to describing real life/world phenomena using the tools we cover in class. Some classes will involve group work. A few classes will feature experiments to highlight when the theory does a good job at predicting real life and when it does not.

If you ever need help with any of the material presented in class, stop by during office hours or contact me to set up an online meeting that works for you.

**Office Hours:** Fridays from 10:00 AM - 12:00 PM, 2:00 PM - 3:00 PM in Maxey 223 or by appointment.

**Textbooks:** The recommended textbook for this class is Robert Pindyck and Daniel Rubinfeld's, "Microeconomics", 9<sup>th</sup> edition.

At times the class may slightly deviate from material presented in the textbook. Any written material introduced in class, but absent from the book, will be distributed through Canvas.

**Objectives:** This course considers the behavior of consumers, firms and other economic agents and the interactions between those agents in a market setting under scarce resources. The course covers the theory of consumer behavior, the theory of the firm, market structure and strategy, and an analysis of common market failures.

This course is one of the core courses in economics and acts as a springboard to more advanced courses within the Economics, Economics-Mathematics, and Economics-Environmental Studies majors. It, along with intermediate macroeconomics, is the focus of the oral and written sections of the senior assessment.

**Communication:** I will inform the class regularly about upcoming plans and changes to the class website on Canvas. You can find all lecture notes, homework solution, and links to discussion material on the Canvas website.

**Tentative Course Outline:**

<b>Week</b>	<b>Day</b>	<b>Topic</b>	<b>Reading</b>
1	Jan 22	Introduction to Intermediate Micro	N/A
2	Jan 27	Supply and Demand	Ch. 2.1 - 2.3
	Jan 29	Elasticities	Ch. 2.4 - 2.5
3	Feb 3	Consumer Preferences	Ch. 3.1
	Feb 5	Budget Constraints & Consumer Choice	Ch. 3.2 - 3.3
4	Feb 10	Revealed Preference & Marginal Utility	Ch. 3.4 - 3.5
	Feb 12	Cost of Living	Ch. 3.6
5	Feb 17	<b>PRESIDENTS' DAY - NO CLASS</b>	N/A
	Feb 19	Individual Demand	Ch. 4.1 - 4.2
6	Feb 24	Market Demand & Externalities	Ch. 4.3 - 4.5
	Feb 26	<b>MIDTERM #1</b>	N/A
7	Mar 3	Production w/ One Input	Ch. 6.1 - 6.2
	Mar 5	Production w/ Two Inputs & Scale	Ch. 6.3 - 6.4
8	Mar 10	Short and Long Run Costs	Ch. 7.1 - 7.3
	Mar 12	Cost Curves	Ch. 7.4 - 7.5
	Mar 17 - 28	<b>SPRING BREAK - NO CLASS</b>	N/A
9	Mar 31	Short Run Profit Maximization & Supply	Ch. 8.1 - 8.6
	Apr 2	Long Run Supply	Ch. 8.7 - 8.8
10	Apr 7	Surplus & Govt Policies	Ch. 9.1 - 9.3
	Apr 9	Quotas, Tariffs, and Subsidies	Ch. 9.4 - 9.6
11	Apr 14	Monopoly & Monopoly Power	Ch. 10.1 - 10.4
	Apr 16	Monopsony & Monopsony Power	Ch. 10.5 - 10.6
12	Apr 21	Pricing with Market Power	Ch. 11.1 - 11.4

**Outline continued from previous page**

	Apr 23	<b>MIDTERM #2</b>	N/A
13	Apr 28	Monopolistic Competition & Oligopoly	Ch. 12.1 - 12.3
	Apr 30	Prisoner's Dilemma & Game Theory	Ch. 12.4, 13.1 - 13.4
14	May 5	General Equilibrium & Efficiency	Ch. 16.1 - 16.5
	May 7	Asymmetric Information & Externalities	Ch. 17.1 - 17.4, 18.1 - 18.2
15	May 12	Final Review	N/A
	May 17	<b>FINAL</b>	N/A

**Grading Policy:**

- Participation (10%)
- News Annotations (20%)
- Homework (20%)
- Midterms (30%)
- Final Exam (20%)

**Grading Scale:**

A		B			C			D	F
A	A-	B+	B	B-	C+	C	C-	D	F
100% - 94%	93.9% - 90%	89.9% - 87%	86.9% - 84%	83.9% - 80%	79.9% - 77%	76.9% - 74%	73.9% - 70%	69.9% - 60%	Less than 60%

Once grading is completely finished, grades may be adjusted according to a curve. Do not ask for regrades or grade changes. Unless there is a grading error, grades will remain unchanged.

**Participation:** From time to time I will post podcasts, news articles, and short example problems with Canvas discussion board prompts. Regular attendance and participation in class discussions (both in-class and online) will contribute to this portion of your grade. There will also be a few “pop-quizzes” administered through Canvas during the course of the semester.

**Homework Assignments:** There will typically be weekly homework assignments. Homework will be collected online via Canvas and is due at the beginning of class. The lowest homework score will be dropped for each student. Only a random subset of questions will be graded from each homework, but I will always post my worked solutions to the Canvas website.

**Late Homework:** Late homework can be submitted. However, for each 12 hours that the assignment is late, the grade will drop by 10 percentage points. For example, if an assignment were turned in 10 hours late and it would have received an 85% if had been turned in on time, it would instead receive a 75%.

**News Annotations:** You are required to write three annotations of news articles, each on an article of your choice from each of the categories of microeconomics cover in this course (consumers, firms, and markets). With each annotation you will turn in the selected news article. News articles must be dated August 1, 2024 or later. The primary purpose is to sharpen your economic intuition and to train you to see how what we study in class can be found in the real world. Annotations are typically due one week prior to a midterm or final.

Each annotation should be two pages in length, double spaced, and include text and graphs. Each annotation should explain how a concept(s) from class applies to some aspect of the article, and must contain at least two graphs. Annotations should be typed and uploaded to Canvas on the deadlines specified below. A pdf of the article you are drawing from should also be submitted.

Hand drawn graphs are fine, but you must find a way to insert them into the pdf you upload to Canvas. Also, note that these annotations are not meant to solely be summaries of what you read. You are attempting to explain the story (or part of the story) contained in the article using the theory we discuss in class. Your

annotations should also include proper citations of the article you are using. If the article is from the web, be sure to include the URL and the date you accessed the article as part of the citation.

You will be evaluated on the correct use of intermediate-level microeconomic concepts, the depth of your analysis, and the quality of your presentation. Late annotations will be penalized 20 percentage points for each day past the deadline.

### News Annotation Deadlines:

Annotation #1 .....	February 19 <sup>th</sup>
Annotation #2 .....	April 16 <sup>th</sup>
Annotation #3 .....	May 8 <sup>th</sup>

**Exams:** A substantial portion of your grade will be based on two midterms and a final. *I do not give makeup exams except in the case of verified, unexpected emergencies.* If such an event occurs, verification will need to be submitted as soon as possible by both the student and the Dean of Students.

Exams, including the final, will be in-class. I allow one page of handwritten “cheat sheet” notes to be used on the exam. Exams will be equivalent to a very difficult homework with more problems.

Exams will largely consist of free-response questions. Often questions will require you to make an economic or statistical argument, show some property of an estimator, or perform calculations either by hand or using a computer. Generally there will be no multiple choice questions, as checking steps in your reasoning will be crucial for success.

**Questions and Comments:** As you progress in this course, you will undoubtedly find yourself with questions or comments about the material we discuss. Whenever you have a question answered in a future class, or have a topic you believe would be well suited for a future class, please feel free to email me.

**Extra Credit:** Throughout the semester you *may* be given the opportunity to earn extra credit. The nature of the extra credit and its point value will be discussed on a case-by-case basis.

### Important Due Dates:

Midterm #1 .....	February 26 <sup>th</sup>
Midterm #2 .....	April 23 <sup>rd</sup>
Final Exam .....	May 17 <sup>th</sup>

## Student Responsibilities:

### How to Succeed:

1. Read chapters of the textbook the correspond to the lecture notes.
2. Start homework earlier rather than later.
3. If you are finding the material difficult, please seek help from either your classmates or me. The material in this class builds on itself, so getting lost early can be detrimental to understanding material later on.
4. Feel free to work on assignments together. Not only will it help with your understanding, but you will form bonds with classmates that will be extremely valuable as you continue on at Whitman.
5. When reading about studies in the news, use the topics covered in this course to make sense of their estimates and how believable they are.

**Accommodation:** If you require an accommodation, please contact me, either in person or through the Academic Resource Center (503) 527-5213. I am here to help in any way I can.

**Excused Absence:** The Dean of Students may authorize absences from classes in cases of exigency (injury, illness, or family emergencies). In the event that such a verifiable emergency requires you to miss a scheduled exam, I expect you to contact me directly, as soon as possible.

**AI Policy:** The emergence of generative AI tools (such as ChatGPT and DALL-E) has sparked interest among many students in economics. The use of these tools for brainstorming ideas, exploring possible responses to questions or problems, and as an additional source of explanation for the materials may be useful for you as you craft responses to class assignments. While there is no substitute for working directly with your instructor, the potential for generative AI tools to provide automatic feedback, assistive technology and language assistance is clearly developing. Please feel free to reach out to me well in advance of the due date of assignments for to check with me on acceptable uses of generative AI for particular assignments and I would be happy to discuss what is acceptable.

Also note that tests will be done in person, and reliance on AI assistance will not be afforded to you on exams. Since exams very closely resemble what you would solve in homework, it is very important that your homework solutions be from your own understanding. Otherwise, you risk receiving poor grades on tests and in the class.

**Academic Integrity:** Cheating and plagiarizing are **NOT** tolerated in my class. Cheating will result in a failing grade for that assignment and violations will be reported to the Dean of Students. The maximum penalty for academic dishonesty at Whitman College is permanent expulsion.

As stated above, you are encouraged to work together on homework assignments. However, I should be able to tell your work apart from that of another. If any work looks too similar, both assignments will receive a penalty.

Working together on a test is strictly prohibited unless otherwise stated. Evidence of collaboration will result in a zero for that test.