

# Intermediate Microeconomics Theory (Econ 303)

Department of Economics  
William & Mary

Instructor: Andra Hiriscau

Spring, 2022

Section 02, Classroom: Chancellors 123  
Section 03, Classroom: Chancellors 123  
Section 04, Classroom: Chancellors 133  
Office: Chancellors 460  
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Class Hours: Tu-Th 8:00 am- 9:20 am  
Class Hours: Tu-Th 9:30 am- 10:50 am  
Class Hours: Tu-Th 2:00 pm- 3:20 pm  
Office Hours: Tu 3:30 pm- 5:00 pm  
Office Hours: Th 11:00 am- 12:30 pm

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## Course Description and Purpose

The course aims to provide students with a thorough understanding of the core concepts of microeconomics. The two most extensive sections cover the consumer theory- preferences, demand curve, utility maximization by consumers, and producer theory- cost minimization, profit maximization, supply curves for an industry. In addition, we will discuss the market equilibrium and the analysis of market failure due to externalities and public goods. The course can serve as a foundation for more advanced undergraduate electives which require a microeconomics background.

## Prerequisites

ECON 101 is a prerequisite for this class. We will deepen the understanding of the concepts studied in that class. I will spend a lot of time presenting the material intuitively and graphically, but there will be some mathematical components to the course. A calculus course is not a prerequisite to taking this class. However, we will use some elementary calculus techniques in the class. I will go over all the necessary calculus you will need at the beginning of the semester and review it as needed.

## Course Materials

The recommended text for the course will be [Intermediate Microeconomics. A Modern Approach](#), by Hal R. Varian (ISBN: 978-0-393-69132-0). The readings are based on the 9<sup>th</sup> edition, but older editions are equally suitable for this class. Chapter numbers may differ across editions.

## Learning Outcomes and Objectives

- Have a basic understanding of consumer behavior as modeled by economists. Using an indifference curve approach, students will be able to derive demand curves.
- Identify how equilibrium prices and quantities are determined and the conditions in which market equilibrium is efficient.
- Explain how prices and output levels are determined in different market structures.
- Understand how market structure (perfect competition, monopoly, duopoly, and oligopoly) influences the allocation of resources.
- Use economic reasoning to explain the strategic choices of individuals or organizations.

## Grading Policy

The grade will be calculated using the following proportions:

- 30% of your grade will be determined by in class midterm exam 1
- 30% of your grade will be determined by in class midterm exam 2
- 30% of your grade will be determined by the cumulative final exam
- 10% of your grade will be determined by homework

*If your score for the final exam is higher than your score for the midterm, then I will replace your lowest midterm exam score with the final score.*

Table 1: Sample Grading Scheme

Grade	Range	Grade	Range	Grade	Range
A	93%- 100%	B-	80%- 82.99%	D+	67%- 69.99%
A-	90%- 92.99%	C+	77%- 79.99%	D	63%- 66.99%
B+	87%- 89.99%	C	73%- 76.99%	D-	60%- 62.99%
B	83%- 86.99%	C-	70%- 72.99%	F	less than 59.99%

## Exams

- There are three exams in total. The first midterm exam will cover all topics discussed prior to that point, while the second midterm exam will cover the new material. All exams are hard-copied exams taken in class.
- The final exam is **cumulative**.
- Make-up exams: There will be no make-up exams unless you have a university-sanctioned schedule conflict. If you have a schedule conflict, please notify me at least two weeks before the exam. If you miss a midterm exam, the final exam will count twice and replace the missed exam grade. If you miss a second exam due to a documented emergency, we will deal with those situations individually.

- Final exam schedule is available [here](#).
  - Section 02: May 16<sup>th</sup> from 2:00 pm- 5:00 pm, Chancellors 123
  - Section 03: May 13<sup>th</sup> from 9:00 am- 12:00 pm, Chancellors 123
  - Section 04: May 13<sup>th</sup> from 2:00 pm- 5:00 pm, Chancellors 133

## Homework

- Homework will be distributed through Blackboard at least one week before the due date. Deadlines are mentioned under the Topics section.
- There will be 6 homework assignments, and the lowest homework grade will be dropped.
- We will be using Gradescope this term, which allows me to provide fast and accurate feedback on your work. Homework will be submitted through Gradescope (on Blackboard, access the Homework tab). As soon as grades are posted, you will be notified immediately so that you can log in and see your feedback. You may also submit regrade requests if you feel I have made a mistake.
- You need to scan hard copies of your pages and save them as PDF before submitting. No scanner? No problem. This [guide](#) will teach you how to scan your work using your phone. You can also use the scanners from [W&M library](#).
- After you have the PDF of your work, you will need to submit it through Gradescope. This [video](#) explains how to submit the PDF.
- I will post the solutions for each assignment after the due date so late work will not be accepted. If you miss an assignment, it will count as your lowest assignment grade and be dropped.
- I encourage you to consult with your classmates, but each student needs to submit their homework.

## Topics

1. Consumer Theory: Chapters 2-8
2. Market Equilibrium: Chapters 14-16
3. Producer Theory: Chapters 19- 24
4. Market Imperfection: Chapters 25-29, 35

Week	Date	Topic	Reading	Assignment
Week 1	January 27 (Thursday)	Introduction	Blackboard	
Week 2	February 1 (Tuesday)	Budget	Chapter 2	
	February 3 (Thursday)	Preferences	Chapter 3	
Week 3	February 8 (Tuesday)	Utility	Chapter 4	<b>Homework 1</b> <b>February 7 (Monday)</b>
	February 10 (Thursday)	Choice	Chapter 5	
Week 4	February 15 (Tuesday)	Demand	Chapter 6	
	February 17 (Thursday)	Demand	Chapter 6	
Week 5	February 22 (Tuesday)	Slutsky Equation	Chapter 8	<b>Homework 2</b> <b>February 21 (Monday)</b>
	February 24 (Thursday)	Consumer Surplus	Chapter 14	
Week 6	March 1 (Tuesday)	<b>Midterm 1 Review</b>		<b>Homework 3</b> <b>February 28 (Monday)</b>
	March 3 (Thursday)	<b>Midterm 1</b>		
Week 7	March 8 (Tuesday)	The Market Demand	Chapter 15	
	March 10 (Thursday)	Equilibrium	Chapter 16	
Week 8	March 15 (Tuesday)	Spring Break		
	March 17 (Thursday)			
Week 9	March 22 (Tuesday)	Technology	Chapter 19	
	March 24 (Thursday)	Profit Maximization	Chapter 20	
Week 10	March 29 (Tuesday)	Cost Minimization	Chapter 21	<b>Homework 4</b> <b>March 28 (Monday)</b>
	March 31 (Thursday)	Cost Curves	Chapter 22	
Week 11	April 5 (Tuesday)	Firm Supply	Chapter 23	
	April 7 (Thursday)	Industry Supply	Chapter 24	
Week 12	April 12 (Tuesday)	<b>Midterm 2 Review</b>		<b>Homework 5</b> <b>April 11 (Monday)</b>
	April 14 (Thursday)	<b>Midterm 2</b>		
Week 13	April 19 (Tuesday)	Monopoly	Chapter 25	
	April 21 (Thursday)	Monopoly Behavior	Chapter 26	
Week 14	April 26 (Tuesday)	Oligopoly	Chapter 28	
	April 28 (Thursday)	Externalities	Chapter 35	
Week 15	May 3 (Tuesday)	Public Goods	Chapter 29	<b>Homework 6</b> <b>May 2 (Monday)</b>
	May 5 (Thursday)	<b>Final Exam Review</b>		

## Policies

### Office Hours

My office hours are on Tuesday from 3:30 pm- 5:00 pm and on Thursday from 11:00 am to 12:30 pm in Chancellors 460. You can schedule office hours using [Calendly](#). Office hours represent an opportunity to discuss any special needs or challenges you face.

## Attendance Policy

You are expected to attend class in person unless you have an emergency or the need to isolate or quarantine due to COVID-19. If possible, notify me in advance of the absence or inability to participate. As for any in-person course, attendance and participation are crucial for understanding course material. I understand that the current crisis of COVID-19 could impact the conditions necessary for you to succeed. My commitment is to be there for you and help you meet the learning objectives of this course. Should you have any concerns about your ability to participate in class, please do not hesitate to reach out. Make sure to adhere to all of the health safety protocols issued by the university. Updates are posted at [COVID-19 Response Team Updates](#). Please remember to visit [Report COVID](#) if you test positive for COVID-19 or are identified as close contact. Completing the short form puts you in touch with a case manager to help navigate work or study and initiates contact tracing.

For this course in Spring 2022, here is the way that we will address student absences: I will share the class notes and create a system, so students who have missed a class have an assigned group of classmates to reach out to in order to learn about the class missed. In the case of the instructor's absence, the class converts to zoom temporarily.

## Technology Policy

I have a no laptop or cell phone policy. Additionally, because my goal is to promote long-term retention of this material, this is best done through taking notes with paper and pencil (or tablet). Please do not take my word for it and look at the research below.

- [Attention, Students: Put Your Laptops Away](#) NPR Article.
- [The impact of computer usage on academic performance: Evidence from a randomized trial at the United States Military Academy](#), S. Carter, K. Greenberg and M. Walker
- If you have a compelling reason as to why you need to access to laptop during class, you must discuss this with me in advance.

## Academic Integrity and Honesty

Students are required to comply with the William & Mary College policy on academic integrity found in the [The Honor Code](#). Cheating in exams, homework, or any other assignment will not be tolerated. Students found cheating on an exam will be given a score of "0" and will not be replaced with the final exam grade. In addition, they will be reported to the relevant authorities of the university.

## This Course was Designed with You in Mind <sup>1</sup>

### Tips to being successful in this course

- Skimming the chapter before class is recommended to understand the material.

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<sup>1</sup>This section was adapted from Bayer, Amanda, 2021. American Economic Association Committee on the Status of Minority Groups in the Economics Profession. [Diversifying Economic Quality](#)

- Take notes in class. Note-taking helps you process, organize, and retain information.
- Reading the chapter after class is essential to clarify the new concepts.
- Work with your classmates on homework, and check the feedback and solutions.
- Ask questions in class or during office hours. I am more than happy to assist you during my office hours.
- Vary the type of material studied in a single session. Improve your comprehension of challenging material by seeing it applied and presented in multiple ways.
- Space study time. Improve your comprehension of material by letting it sink in between multiple encounters with it.
- Practice drawing diagrams and writing equations. Don't just memorize images. Practice drawing them on your own while reading the textbook. Use diagrams and equations to think through new problems.
- Practice explaining economic concepts and logic. Talk about what you are learning to classmates, roommates, and family.

### **This class's community is inclusive**

Students in this class represent a wide variety of backgrounds and perspectives. I am committed to providing an atmosphere for learning that respects diversity and creates inclusive environments in our course. While working together to build this community, I ask you to:

- Understand that we are bound to make mistakes in this space, as anyone does when approaching complex tasks or learning new skills. Strive to see your mistakes and others' as valuable elements of the learning process.
- Understand that your words have effects on others. Speak with care. If you learn that something you've said was experienced as disrespectful or marginalizing, listen carefully and try to understand that perspective. Learn how you can do better in the future.
- Take pair work, or small group work seriously. Remember that your peers' learning is partly dependent upon your engagement.
- Understand that others will come to these discussions with different experiences from yours. Be careful about assumptions and generalizations you make based only on your own experience. Be open to hearing and learning from other perspectives.

### **We use each other's preferred names and pronouns**

Please let me know of your preferred or adopted name and gender pronoun(s), and I will make those changes to my records and address you that way in all cases. Students who wish to indicate their gender identity and/or personal pronouns are able to do so in Banner 9 Self Service W&M (For more information visit the following link: [Name, Gender Identity, Pronoun](#)).

## This course is accessible to students with disabilities

William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2512 or sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please see [Student Accessibility Services](#).

## Sources of Additional Information

- I will send weekly announcements of media and activities tailored to what I am teaching, or Economics in general.
- You can get complete access to online content of major news publications provided by W&M Libraries ([Chronicle of Higher Education](#), [The Economist](#), [New York Times](#), [Wall Street Journal](#), [Washington Post](#)).

## Mental and Physical Well-Being

William & Mary recognizes that students juggle different responsibilities and can face challenges that make learning difficult. There are many resources available at W&M to help students navigate emotional/psychological, physical/medical, material/accessibility concerns. Asking for help is a sign of courage and strength. If you or someone you know is experiencing any of these challenges, we encourage you to reach out to the following offices:

- For psychological/emotional stress, please consider reaching out to the [WM Counseling Center](#); or (757) 221-3620, 240 Gooch Dr., 2nd floor. Services are free and confidential.
- For physical/medical concerns, please consider reaching out to the [WM Health Center](#) ; or (757) 221-4386, 240 Gooch Drive.
- For additional support or resources, please contact the [Dean of Students](#) by submitting a Care Report at ; or by calling 757-221-2510, or by emailing deanofstudents@wm.edu.
- For a list of many other resources available to students, see [Health and Wellness Resources for Students](#)

As your professor, I also ask you to reach out to me if you are facing challenges inside or outside the classroom; I will guide you to appropriate resources on campus.

## Important Dates

January 25 <sup>th</sup>	Add/drop period begins at 1:00 p.m.
February 4 <sup>th</sup>	Last day to add/drop
March 25 <sup>th</sup>	Deadline to apply for graduation in 2023
March 28 <sup>th</sup>	<b>Last day to withdraw</b>
May 24 <sup>th</sup>	Spring grades due at 9 a.m.