

University of Oklahoma
Department of Economics
2023 Fall

ECON 3113: Intermediate Microeconomic Theory

Professor MJ Kim

Office: 308 Cate Center Drive, Room 432

Class schedule: Mondays and Wednesdays from Aug. 21st to Dec. 15th

Tentative syllabus: more details and adjustments TBA on Canvas and/or via email

email: mjkim@ou.edu

Classroom: online

- **The Delivery Method** is online instruction (asynchronous lectures). The proposed approach involves predominantly providing online content which includes videos and reading materials.

- **Communications:** Communications will be accomplished primarily through Canvas and by email. All pertinent student emails will be answered within 24- 48 hours of their arrival, unless prior notice of a delayed response is provided. For a quicker response please put the course prefix and number in the subject line (e.g., ECON3113: Question about the Syllabus).

- **Email Account and Canvas:** Students are expected to check their OU email accounts and the course site on Canvas daily for updates from the professor.

- **Office Hours:** Wednesday 10 am -12 pm **by appointment online**. The zoom link for the office hours is:

<https://oklahoma.zoom.us/j/93075893876?pwd=WWZpR0J4M2VlMkZKS2Zxd2VLZWJpUT09>

- **No attendance check.** Attendance rate does not affect final grades.

Course Description

Intermediate Microeconomic Theory delves into the realm of economics that delves into the specific decisions crafted by consumers and producers. While the fundamental structure and content of this course mirror those of the principles of microeconomics, there exist notable distinctions. Firstly, this course integrates mathematics into models in conjunction with graphs. Given that economics centers around optimal resource allocation, it becomes imperative to formulate precise models amenable to optimal quantity solutions. While visual aids and verbal elucidations prove beneficial, the inclusion of mathematics permits a more precise quantification of the decisions undertaken by these economic agents. Secondly, intermediate microeconomics engages in a more profound level of analysis compared to the principles. It involves an intricate exploration into the underlying reasons for the existence of relationships like the law of demand or the law of supply, as well as the circumstances under which they may not hold true. Lastly, intermediate microeconomics places a heightened emphasis on policy considerations compared to the principles of microeconomics course. Grasping the economic behavior exhibited by consumers and producers serves as the linchpin for the formulation of pertinent policies. This deeper comprehension also empowers attempts at predicting how diverse policies influence the incentives of individuals and firms, consequently catalyzing changes in their behaviors.

Course Material

The textbook for the course is: **Goolsbee Leitt Syverson, Microeconomics**, 2nd edition or 3rd edition, Worth publishers. This book is available at the OU bookstore, or you can buy it [online](#). Previous editions are available through various outlets: these are fine to use as well.

Teaching Assistant/Grader

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PhD. Candidate in Economics

Office Hours: Fri. 1pm - 3pm & by appointment

Course Web Page

Important class announcements, discussions, and homework notifications will be uploaded to the course website on Canvas. It is incumbent upon students to consistently monitor the platform. All crucial updates will be communicated through this channel. Furthermore, assignments, primarily comprising multiple-choice questions, will also be posted on Canvas.

Grading

1. **Problem sets will count for 10% of the course grade, Discussion for 10%, quizzes for 10%, the midterm exams for 30% and the final for 40%.**
2. "Grading on the curve:" All exams and quizzes will be curved. Curved scores will be posted on Canvas. **Homework grading will not involve any curve adjustments.**
3. Assigning final letter grades: If your final cumulative score is at least 90% out of 100% then your final letter grade will be an A. If your final cumulative score is less than 90% and at least 80% then a B. If less than 80% and at least 70% then a C. If less than 70% and at least 60% then a D. The lowest grade is F. That is, Letter grades: A: 89.5-100 B: 79.5-89.4 C: 69.5-79.4 D: 59.5-69.4 F: less than 59.5
4. **No credit and/or points negotiation.**

Homework Policy

- Several problem sets will be assigned. Refer to the course web site for the dates in which the assignments are due. NO credits for late homework submissions.
- **The lowest grade among the problem sets will not be included in the calculation of your final grade.**
- Students should view homework as a valuable tool for preparing for quizzes and exams. In some instances, the questions on quizzes and exams may closely resemble or even directly stem from these homework questions.
- Homework instructions and deadlines can be located on the course website.
- Assignment Accessibility and Submission Guidelines:
 - To access your homework assignment, click on the "Quizzes" module. Please note that while it will be graded as an assignment, not a quiz, you can also find your homework by clicking on the "Assignments" module. However, this will redirect you to the Quizzes tab. Rest assured, this is indeed a homework assignment, not a quiz.
 - You can make unlimited attempts to complete your homework assignment.
 - After submitting, you won't have the ability to review your correct or incorrect responses. The answer key will be posted once the deadline has passed.
 - The homework assignments will include both multiple-choice questions and open-ended question(s).
 - If you have any questions regarding homework, don't hesitate to reach out via email to the TA or attend their office hours for a face-to-face discussion.

- Gaining access to Canvas is your responsibility. Submission via email is not accepted unless exceptions are approved by the professor.
- Additionally, keep in mind that homework will contribute to 10% of your final course grade.

Discussion Policy

- Discussion assignments require that you post your contribution first, read the answers posted by your classmates, and give at minimum 2 responses to other postings, unless otherwise directed.
- Each discussion post is worth up to 10 points. 6 points for your original post and 4 points for your response to a classmate. There will be 8-10 discussions during the semester.
- Discussion topics open each Sunday at 11:59 p.m. and close Friday at 11:59 p.m. of the lesson week.
- How do you earn the points?
 - Elements included in the evaluation of discussion board participation will include evidence of critical thinking, clear identification of the issues, understanding problems, and the ability to propose and evaluate solutions. All participants are expected to welcome open expression of opinions, attitudes, and beliefs and to accept the legitimacy and value of dissent. In addition to respect for the ideas of your classmates and the instructor, common courtesy is also expected.
- Responses which demonstrate a high level of critical thinking skills and respect for the view of others will receive full credit. Responses which display lower levels of critical thinking skills or no critical thinking skills or which fail to engage substantively and respectfully with other's views will receive correspondingly lower grades.
- Please be sure to post the URL link to your source(s) if any.
- Your INITIAL discussion post should be one to two paragraphs in length, with each paragraph consisting of five to seven substantive sentences. Remember the first posting is due on Wednesday at 11:59 p.m.
- Your RESPONSE post should consist of one paragraph in length. You are free to respond to any initial post that has not received a response. Your reply is due on Friday at 11:59 p.m.
- Replies to classmates like "I agree," and "That's great!" will receive ZERO points. You must post a substantive response to their original post. Think about how you would respond in a face to face classroom discussion. You can take your time in an online discussion to put your responses together, so this gives you the ability to ensure you have a thoughtful response. (*Note: A three page response will not lend to a quality discussion either. Consider length on both ends of the spectrum.)
- See the instructions given in each discussion board thread for information about the requirements for the given thread. Remember that discussion board participation is graded both on adherence to the assignment and upon the quality of the given response. Also, please bear in mind that participation in discussions will be factored into 10% of your final course grade.
- Discussion Board and Feedback Guidelines

In your communication with other students, please:

- * Expand on or clarify an important point.
- * Offer an additional argument to support a position taken in an answer.
- * Suggest ways in which an idea could be more clearly expressed.
- * Identify passages where you think the writer misunderstood a concept or applied it incorrectly.
- * Disagree with a point or position made in an answer.

If you disagree with the views of another student, please:

- * Be constructive and respectful. Remember that tone cannot be interpreted from text, so please be thoughtful in your written responses.

- * Politely critique a position on an issue, but not the person.
- * Avoid sarcasm, swearing, or language that would be considered rude or argumentative.
- * State precisely the point you disagree with.
- * Offer reasons why you think their view is incorrect and support your position by citing the text or other sources.
- * Student Responsibilities
 - The purpose of Discussion Board Assignments is for students to reflect thoughtfully and exchange ideas of the academic topics covered in this course. As a class, you will benefit from this assignment only as much as you put into it. Last minute posts that are inaccurate, sloppy, unorganized, and unclear are not beneficial and will receive a grade reduction. If you find that a post is unclear or inaccurate, it is your role to ask your classmate for further clarification or to point out the inaccuracy. If someone replies to your post with a question, you owe him or her the courtesy of a response. You are also responsible for posting your answers and replies on time.
- I may also comment where appropriate on the posts or discussion threads. I may correct inaccuracies or lead discussions where there is confusion, and also look forward to reading posts or discussions that are particularly thoughtful, insightful, or well written.

Quizzes

- Three quizzes will be administered online during class. It is students' responsibility to check the dates in which the quizzes are scheduled.

quiz 1 : Sep. 20, Wednesday, online

quiz 2 : Oct. 18, Wednesday, online

quiz 3 : Nov. 20, Monday, online

NOTE: The quiz is designed to be completed within a standard class period of 1 hour. However, I am offering extended time flexibility to accommodate students with time conflicts or those who require more time. For instance, the 1st quiz will commence at 8 am on 9/20 and conclude at 8 pm on the same day, providing a 12-hour window. Your responses must be submitted as a single .pdf document on Canvas by 8 pm on 9/20. If you necessitate specific accommodations or additional time, kindly reach out to the professor (mjkim@ou.edu) well in advance, at least 5 days prior to the quiz start date. This same protocol applies to both quiz2 and quiz3 as well.

Quiz Policy

- The highest quiz score will be considered and will account for 10% of your grade. In other words, the two lowest quiz scores will be automatically excluded from calculation.
- If you happen to miss all three quizzes, the weight will be automatically shifted to the final exam. In this scenario, the final exam will carry a weight of 50% if you miss all the quizzes.
- If you happen to take one or more of the quizzes and are dissatisfied with your scores, you have the option to drop the quiz scores. In this scenario, all the weights will be transferred to the final exam, resulting in the final exam having a weight of 50%, which will have a greater impact on your overall grade. There is one necessary condition to consider for this option: you must inform both the TA and the professor that you intend to drop all your quiz scores and redistribute its weight (10%) to the final exam. The deadline for this request is December 15th, and it is a firm deadline. NO adjustments are allowed after the deadline.
- NO makeup quizzes.

Mid-term Exams

- There will be two midterm exams, each encompassing the course material and homework problems relevant to the respective time period.

Midterm 1 : Oct. 4, Wed.

Midterm 2 : Nov. 1, Wed.

NOTE: The exam is designed to be completed within a standard class period of 1 hour and 15 minutes. However, I am offering extended time flexibility to accommodate students with time conflicts or those who require more time. For instance, the 1st exam will commence at 8 am on 10/4 and conclude at 8 pm on the same day, providing a 12-hour window. Your responses must be submitted as a single .pdf document on Canvas by 8 pm on 10/4. If you require specific accommodations or additional time, please contact the professor well in advance, at least 5 days before the exam's start date. This same protocol applies to exam 2 as well.

Final Exam

- **The FINAL EXAM is cumulative, scheduled on December 11, 2022, Monday online**

You are responsible for **double-checking** your own final exam schedule.

NOTE: The final exam is structured to be completed within the standard time frame of a final exam (2 hours). However, I am providing extended time flexibility to accommodate students with scheduling conflicts or those in need of additional time. As a result, the final exam will commence at 8 am on 12/11 and conclude at 8 pm on the same day, offering a 12-hour window for completion. Your responses should be submitted as a singular .pdf document on Canvas by 8 pm on 12/11. Should you require specific accommodations or more time, please reach out to the professor well in advance, at least 7 days prior to the exam's commencement.

Exam Policy

1. **NO makeup exams** for missed midterm exams and final exam.
2. The highest score from the two mid-term exams will be considered and contribute to a weight of 30% of your final grade. In other words, the lowest mid-term exam score will be automatically excluded from calculation.
3. If you happen to miss both midterm exams, the weight will be automatically transferred to the final exam. In this scenario, the final exam will carry a weight of 70%.
4. If you happen to take one or more of the mid-term exams and are dissatisfied with your scores, you have the option to drop the mid-term exam scores. In this scenario, all the weights will be transferred to the final exam, resulting in the final exam having a weight of 70%, which will have a greater impact on your overall grade. There is one necessary condition to consider for this option: you must inform both the TA and the professor that you intend to drop all your mid-term exam scores and redistribute its weight (30%) to the final exam. The deadline for this request is December 15th, and it is a firm deadline. NO adjustments are allowed after the deadline.
5. Taking into account the quiz and exam policies mentioned earlier, please be aware that in the event you choose to drop both quiz scores and mid-term exam scores (or if you opt not to participate in both quizzes and mid-term exams), the weighting (10% + 30%) will transfer to the final exam. Consequently, the final exam will hold a weight of 80%. The deadline to submit a request for transferring the quiz and mid-term exam weights is December 15th, and this deadline is non-negotiable.
6. Please take note that there will be no possibility to shift the weights for homework and discussion. This means that transferring the weights of homework (10%) and discussion (10%) to the final exam is strictly prohibited.

7. Failure to take the final exam will automatically result in a course grade of F unless there are unavoidable exceptional circumstances verified by the College of Arts & Sciences. In case of such unavoidable exceptional circumstances it is the students' responsibility to inform the professor at least 24 hours prior to the start of the final exam in written form.
Any medical conditions resulting in unavoidable exceptional circumstances require documentation from Student Health Services at the University of Oklahoma.
8. If there are any exam schedule conflicts with other classes, it is the students responsibility to inform the professor at least 7 days prior to the exam.
9. The quiz and exam are designed as open book tests; however, discussions about the quiz or exam with others are prohibited. Your responses should reflect your individual effort. In other words, you are permitted to consult your textbook, notes, and standard Internet resources (**but excluding any AI or chatGPT**) during the exam or quiz. Nonetheless, your work must be original, and you are not allowed to seek or provide assistance from/to other individuals regarding any specific content covered in the quiz or exam. Activities that constitute **cheating encompass copying or closely paraphrasing information from websites, engaging in discussions about exam/quiz questions with fellow students, using any AI or chatGPT, and requesting help for specific questions on Internet forums.** To maintain authenticity and identify copied content, all exams and quizzes undergo evaluation using three software programs, including the **AI-Plagiarism Detection Tool**. Anyone discovered engaging in cheating will receive a failing score (F) for the respective exam or quiz.
10. You are permitted to use a calculator and scratch paper. However, please note that engineering/scientific calculators are not permitted.
11. You have one chance to request a regrading after each exam. Any requests for regrading of exams must be submitted within one week from the date that exams are returned in class, and must be done in written form. The one-week period for submission of exams for regrading begins on the date that the exams are returned in class and not from the date that you pick up the exam. If you miss the class during which the exams are returned, it is your responsibility to pick up your graded exam within the one-week period. If a regrade is requested, the whole exam is subject to regrading. Submitted exams must be in original condition. Alternation of answers may lead to violation of course policies. No regrading of homework.
12. **NO cheating in exams/quizzes.** Cheating is the fraudulent or dishonest presentation of work. Cheating policy: F in course and reported to the CAS Dean's office for investigation and possible referral to the CAS Academic Conduct Committee. ¹

Class Participation/Attendance

Class attendance is not a component of course grades.

Other policies you must know

1. General class policy
 - (a) This class cannot be taken pass/fail.
 - (b) Students should check the class website regularly since all important announcements will be posted on it.

¹For College of Arts & Sciences students, charges of academic misconduct beside cheating on exams, such as theft of examinations, plagiarism, alteration of work after submission, or alteration of records, are referred to the CAS Dean's office for investigation and possible referral to the CAS Academic Conduct Committee.

Students are advised that, by vote of the College faculty, the penalty against College of Arts & Sciences students for cheating on examinations or for plagiarism may be "... expulsion from the University or such other penalty as may be recommended by the Academic Conduct Committee, subject to approval by the dean." All students are responsible for having read the College of Arts & Sciences Academic Conduct Code.

- (c) During each lesson, there will be the option of extra credit questions, typically 1 or 2 pop-questions (pop-Qs). Engaging in these questions is entirely voluntary, and they are designed to offer additional credit. It's up to you whether to tackle and document them after every class.

Make sure to save all your work as a singular .pdf document. This document should then be submitted to Canvas by accessing the 'Assignment' tab in the left navigation bar on the specified "credit submission day." This submission date is set for December 11, 2023. In other words, you'll have a 12-hour window from 8 am to 8 pm on December 11, 2023, during which you can submit your extra credit questions. Any submissions made beyond this timeframe will not be taken into account.

To achieve full credit, it's essential to provide comprehensive details in your responses, even when dealing with multiple-choice questions. In other words, it's necessary to explain your reasoning and display all the necessary steps, even for multiple-choice items, in order to earn full credit.

Remember, this extra credit opportunity is entirely voluntary. Opting out based on your personal preference and convenience is completely acceptable.

2. Late Work: Except in cases of documented serious illness or documented emergency no late work will be accepted. Technical difficulties do not qualify as an emergency unless the problem is severe, prolonged, and on the server end (the problem is with Canvas). In such cases, the due date will be modified and a new due date specified. Expect technical difficulties on your own end and make arrangements for a secondary location from which to post and/or an alternative Internet Service Provider.
3. Posting Difficulties: Files which do not post correctly in the assignments area or responses which do not correctly post on the discussion board will not be accepted for a grade. If your file does not post (you are timed out, for example), becomes corrupted, contains a virus, or if your response is blank/partial, you should re-post prior to the deadline so that you may receive a grade. Always check to see that your response or file has correctly posted before you exit Canvas. Be sure to post in advance so that you have enough time to correct for any posting difficulties.
4. Academic Integrity: Cheating is strictly prohibited at the University of Oklahoma, because it devalues the degree you are working hard to get. As a member of the OU community it is your responsibility to protect your educational investment by knowing and following the rules. Absolutely no incidences of academic misconduct will be tolerated in this course. See the Academic Integrity website for more information.
5. Special Accommodations: Any student in this course who has a disability that may prevent the full demonstration of his or her abilities should contact me personally as soon as possible so we can discuss accommodations necessary to ensure full participation and facilitate your educational opportunities.
6. Students requiring academic accommodation should contact the Disability Resource Center for assistance at (405) 325-3852 or TDD: (405) 325-4173. For more information please see the Disability Resource Center website <http://www.ou.edu/drc/home.html>
7. Religious Holidays: It is the policy of the University to excuse absences of students that result from religious observances and to provide without penalty for the rescheduling of examinations and additional required class work that may fall on religious holidays.
8. Since online courses allow students to complete course work around their unique schedules, and because you are given assignments well in advance of their due dates, most religious holidays should not conflict with the class schedule for this course. However, if you do have plans to observe a religious holiday, please notify your instructor as soon as possible in order to make appropriate arrangements for class work or rescheduling of assignments.
9. Adjustments for Pregnancy/Childbirth Related Issues: Should you need modifications or adjustments to your course requirements because of documented pregnancy-related or childbirth-related issues, please contact me as soon as possible to discuss. Generally, modifications will be made where medically necessary and similar in scope to accommodations based on temporary disability. Please see www.ou.edu/content/eoo/faqs/pregnancy-faqs.html for commonly asked questions.

10. Title IX Resources: For any concerns regarding gender-based discrimination, sexual harassment, sexual misconduct, stalking, or intimate partner violence, the University offers a variety of resources, including advocates on-call 24.7, counseling services, mutual no contact orders, scheduling adjustments and disciplinary sanctions against the perpetrator. Please contact the Sexual Misconduct Office 405-325-2215 (8-5, M-F) or OU Advocates 405-615-0013 (24.7) to learn more or to report an incident.
11. Incompletes: The OU College of Arts and Sciences advises its faculty to be very strict about the conditions under which a student is allowed to take an incomplete in a regularly scheduled, letter-graded course. A grade of Incomplete (I) will be given only for a justifiable reason (due to unavoidable circumstances, not lack of planning on the student's part) and only if the student is passing the course. It is the responsibility of the student to request a grade of "I" and to meet with the instructor as early as possible to determine requirements for completing the course. Any incomplete granted must be removed by the deadline specified by the instructor. The time limit set for removal of an incomplete will take into account the circumstances of the situation but may not exceed one calendar year.

Course Outline (*preliminary*)

The actual time spent on each topic is likely to be adjusted as the semester proceeds. The corresponding chapters are based on the 2nd edition of the textbook.

1. Basic Concepts:

1.1 Introduction: Microeconomics (Ch. 1) **Lecture 1: start on Aug. 21st, 2023 Monday**

1.2 Supply and Demand (Ch. 2)

1. REVIEW of Supply and Demand Curves - **Lecture 2 (no video-recorded but reading material assigned)**
2. REVIEW of market Equilibrium
3. Elasticity - **Lectures 3 & 4**
4. **No Class on Sep. 4th Labor day holiday**

1.3 Using Supply and Demand to Analyze Markets (Ch. 3) - **Lectures 5, 6, & 7**

1. Consumer and Producer Surplus
2. Price and Quantity Regulations
3. Taxes and Subsidies

2. Consumption and Production:

2.1 Consumer Behavior (Ch. 4) - **Lectures 8, 10 & 11**

1. Consumer Preference and Utility
2. Indifference Curves
3. Budget Constraint
4. Combining Utility, Income, and Prices
5. Quiz1 - - **Lecture 9 (test on chs. 1, 2, & 3)**

2.2 Individual and Market Demand (Ch. 5) - **Lecture 12**

1. Income and Substitution Effects
2. Impact of Changes in Another Good's Price
3. **Deriving Individual Demand and Market Demand Curves - Lectures 14 & 15**
4. **Midterm Exam1 - Lecture 13 (test on chs. 2, 3 and 4)**

2.3 **Costs (Ch. 7) - Lecture 15 & 16**

1. Opportunity Costs
2. Sunk Costs
3. Costs and Cost Curves

4. Average and Marginal Costs
5. Economies of Scale
6. **Quiz2 - Lecture 17** (test on ch5 and ch7)
- 2.4 **Producer Behavior (Ch. 6) - Lectures 18, 19 & 20**
 1. Production in the Short Run / Long Run
 2. Returns to Scale
 3. Technological Change
3. Markets and Prices:
 - 3.1 Supply in a Competitive Market (Ch. 8) - **Lectures 22 & 23**
 1. Market Structures
 2. Perfect Competition in the Short Run / Long Run
 3. Profit Maximization
 4. Producer Surplus, Economic Rents, and Economic Profits
 5. **Midterm Exam2 - Lecture 21** (test on chs. 5, 6 and 7)
 - 3.2 Market Power and Monopoly (Ch. 9) - **Lectures 24 & 25**
 - 3.3 Pricing Strategies for Firms with Market Power (Ch. 10) *if time allows*
 1. Direct Price Discrimination I: Perfect/First-Degree Price Discrimination
 2. Direct Price Discrimination II: Segmenting/Third-Degree Price Discrimination
 3. Indirect/Second-Degree Price Discrimination
 4. **No Classes between Nov. 22nd - 26th: Thanksgiving Vacation**
 5. **Quiz3 - Lecture 26** (test on ch8 and ch9)
 - 3.4 **Imperfect Competition (Ch. 11) - Lectures 27 & 28 (& 29)**
 1. Oligopoly: Bertrand Competition
 2. Oligopoly: Cournot Competition
 3. Oligopoly: Stackelberg Competition
 4. Monopolistic Competition
 5. **Final Exam - on December 11, 2023, Monday** (cumulative: covers all chapters)
 - 3.5 Game Theory (Ch. 12) *if time allows*
 - 3.6 Factor Markets (Ch. 13) *if time allows*