

## INTERMEDIATE MICROECONOMIC ANALYSIS, 220:320:03

Fall 2009

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Lectures: T,Th 2:50-4:10, Frelinghuysen Hall B5

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Office Hours:

New Jersey Hall 429

T, Th 1:45-2:45

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**Prerequisites:** 220:102 (or equivalent) and Calculus 640:135 (or equivalent)

**Textbooks:**

- David Besanko and Ronald R. Braeutigam, *Microeconomics: An Integrated Approach*, (3rd edition), Wiley, ISBN: 978-0470049242 (2<sup>nd</sup> edition is also fine.)
- Walter Nicholson, *Microeconomic Theory*, (9th edition), Thomson/South-Western (optional to support analytical calculations), ISBN: 032427086-0

**Course Objectives:**

The aim of this course is to give students the conceptual basis and the necessary tools for understanding modern microeconomics at the intermediate level. This course makes extensive use of calculus.

This course expands on the topics of the introduction to microeconomics course: the purchasing behavior of consumers and the production and selling behavior of firms. In each case, it is shown how the behavior that economics predicts can be described by a solution to an optimization problem. This class will add an analytical approach to the descriptive approach of the introduction course. You will learn how to use mathematics to model economic concepts. This will enable you to rigorously analyze economic problems.

**General Information**

**Attendance:**

While attendance will not be graded, I encourage you to attend classes, as performance in the course is usually highly correlated with attendance.

**Exams:**

Your grade for the course will be based on two closed-book in-class exams and five quizzes. The first exam will be on October 22 and the second exam will be on November 19. The quizzes are on September 29, October 13, November 10, December 3 and December 10. The lowest quiz will be dropped. The exams are worth 30% of your grade each, while the quizzes are worth 10% each. Each exam will emphasize the material covered after the previous exam but will have a cumulative component.

Exams must be taken on the assigned day unless you present a valid, written excuse before the exam or have an absence approved by the Dean's office.

**Grading:**

No letter grades are assigned to individual assignments or exams, only numeric scores from 0 to 100. My plan is that your course grade will be based on your aggregate score, calculated by combining your scores on three exams according to the following weights:

- 30% First exam
- 30% Second exam
- 40% Quizzes (the lowest of 5 quizzes will be dropped)

I then rank students according to these aggregate scores, and assign grades by class rank, with some subjective judgment applied to borderline cases. Thus, the grades for all your class work are jointly "curved" once at the end of the course.

*I reserve the right to make changes to the grade calculation scheme, especially the percentages allocated to each exam.*

**Academic Honesty and Code of Conduct:**

Needless to say, you are expected to adhere to all of Rutgers University's policies and regulations, in addition to normal standards of acceptable behavior.

In particular, you must be familiar with and adhere to the University's Academic Integrity Policy, available at:

<http://teachx.rutgers.edu/integrity/policy.html#Integrity>

Any violation of that policy will be reported as required by University procedures.

**Topics to be Covered:**

Introduction to Microeconomics

- Chapter 1: Analyzing Economic Problems
- Chapter 2: Demand and Supply Analysis

Consumer Theory

- Chapter 3: Consumer Preferences and The Concept of Utility
- Chapter 4: Consumer Choice
- Chapter 5: The Theory of Demand

Production and Cost Theory

- Chapter 6: Inputs and Production Functions
- Chapter 7: Costs and Cost Minimization
- Chapter 8: Cost Curves

Market Structure

- Chapter 9: Perfectly Competitive Markets
- Chapter 10: Competitive Markets: Applications
- Chapter 11: Monopoly and Monopsony
- Chapter 12: Capturing Surplus
- Chapter 13: Market Structure and Competition