

Florida International University (FIU)
Department of Economics
ECO 6112: Fundamentals of Microeconomics

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Associate Professor of Economics

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Office Hours: Tuesday/Thursday 4.00-5.00pm

Office Hours Booking: By Appointment Only

Teaching Assistant: Md. Rezwanul Haque

Tutor's Email: mdrhoque@fiu.edu

Tutoring Location: VH -136 (ECON Lab)

Tutoring Hours: Friday (10am to 3pm)

Regular Class location: Graham Center 273B

Regular Class Schedule: Monday and Wednesdays 6:25PM-7:40PM

Course Description

This is the beginning course in the microeconomics sequence, and will provide the foundational knowledge for the next two advanced microeconomics courses. This course is designed to provide the fundamental concepts of Microeconomic Theory. In doing so, this course will cover concepts of consumer theory and producer theory. This course will also cover Market equilibrium and welfare properties under perfect competition. The concepts we will cover in this course are very useful for many problems you will analyze in your career and I am excited to help you to learn these. The ways in which we will approach problems will help develop your intuition and mathematical problem solving skills.

Required Materials (Text Book)

Nicholson and Snyder (2016), *Microeconomic Theory: Basic Principles and Extensions*, twelfth edition

Complementary Materials

- Jehle and Reny (2011), *Advanced Microeconomic Theory* (Third Edition)
- Varian (1992), *Microeconomic Analysis* (Third Edition)

Prerequisites

Students should have passed one semester of Calculus and Statistics.

Learning Outcomes

Upon completing this course, students will be able to analyze problems faced by consumers in optimizing their choice in selection of goods and services when they possess a great deal of information at their disposal and in basic settings with more limited information. These include utility maximization and expenditure minimization. Further, students will be able to describe components of the effects of a price change and understand the process of making input and output decisions. Students will also be able to analyze cost minimization and profit maximization problems for firms in both the short and long run and understand how prices are determined in the competitive markets.

Assessments

Problem Sets

There will be 4 problem sets students need to solve almost every second/third week. Each problem set will earn 5% marks if turned on time (by the due date), covering a total of 20% of the grade.

Paper Presentation

Each Student will be assigned a theoretical journal paper to critically discuss in the class. There will be six presentations assigned through-out the semester, covering a total of 10% of the grade.

Class Participation

Active class participation will earn 10% of the grade.

Mid-term and Final Exam

The mid-term (30%) and final exam (30%) will cover 60% of the total grade.

Grading

Individual letter grades on each assessment will not be given. At the end of the semester, grades will be curved based on your total score.

Course Policies

During Class

Phones are strictly prohibited as they are rarely useful for anything in the course. Eating and drinking are allowed in class but please refrain from it affecting the course.

Attendance Policy

Attendance is strongly expected and highly recommended in all lecture and tutoring sessions. Valid excuses for absence will be accepted before class. In extenuating circumstances, valid excuses with proof will be accepted after class. Please remember that we allocate 10% of your score based attendance and class participation.

Our lecture theater is scheduled to teach in a general classroom supporting FIU Check-In, the university's electronic attendance solution, during Fall 2022. FIU Check-In captures classroom attendance by having students quickly scan a QR code conveniently located in the classroom before class starts. With minimal involvement needed by the instructor, classes can start right away without the need for manual attendance to be taken. FIU Check-In is automatically available in your Canvas course. To start viewing the attendance data, you will need to enable FIU Check-In in the navigation area within Canvas.

Getting started with FIU Check-In is easy:

- Download the free FIU Check-In app from Google play or App Store for iOS
- When you enter the classroom, mark yourself present by scanning the QR code.

Policies on Incomplete Grades and Late Assignments

If an extended deadline is not authorized by the instructor or department, an unfinished incomplete grade will automatically change to an F after either (a) the end of the next regular semester in which the student is enrolled (not including summer sessions), or (b) the end of 12 months if the student is not enrolled, whichever is shorter. Incompletes that change to F will count as an attempted course on transcripts. The burden of fulfilling an incomplete grade is the responsibility of the student. The university policy on incomplete grades is located at <http://policies.ncsu.edu/regulation/reg-02-50-3>.

Late assignments will be accepted for no penalty if a valid excuse is communicated to the instructor before the deadline. After the deadline, assignments will be accepted for a 50% deduction to the score up to 2 days after the deadline. After this any assignments handed in will be given 0.

Academic Integrity and Honesty

It is imperative that students become aware of FIU definitions of and policies toward academic misconduct. These policies may be found on the FIU web-site at Academic Misconduct and Code of Academic Integrity (<http://www2.fiu.edu/oabp/misconductweb/1acmisconductproc.htm>).

Accommodations for Disabilities

In case of any specific physical, psychiatric or learning disabilities that require accommodations (such as a note taker or special testing arrangements), a notification should be made in private and early in the semester so that such learning needs can be appropriately addressed. A valid documentation of disability from the Disability Resource Center(DRC) [GC 190, (305)348-3532] is needed. I cannot make any accommodations without a written statement from the DRC.

Discrimination and harassment of any person based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation is a violation of state and federal law and/or Florida International University policy and will not be tolerated. Retaliation against any person who complains about discrimination is also prohibited.

Schedule and weekly learning goals

The schedule is tentative and subject to change. The learning goals below should be viewed as the key concepts you should grasp after each week, and also as a study guide before each exam, and at the end of the semester.

Week 01, 08/25 - 08/29: Consumer Theory – Economic Models and Axiomatic Choice

Week 02, 09/01 - 09/05: Preferences and Utility

- Problem Set 1

Week 03, 09/08 - 09/12: Preference Orderings and Utility Functions

- Presentation 1: When Choices Are Mistakes By Kirby Nielsen and John Rehbeck (AER 2022)

Week 04, 09/15 - 09/19: Utility Maximization

Week 05, 09/22 - 09/26: Indirect Utility and Expenditure Minimization

- Problem Set 2

Week 06, 09/29 - 10/03: Income and Substitution Effect

- Presentation 2: (Paper 1) Experimental Confirmation of the Existence of a Giffen Good By Raymond C. Battalio, John H. Kagel and Carl A. Kogut (AER 1991)
- (Paper 2) The Case of a "Giffen Good" by Uriel Spiegel (JEE 1994)

Week 07, 10/06 - 10/10: Price Elasticity

Week 08, 10/13 - 10/17: Consumer Surplus

- Presentation 3: Cash Or Condition? Evidence From A Cash Transfer Experiment by Sarah Baird, Craig McIntosh and Berk Ozler (QJE 2011)

Week 09, 10/20 - 10/24:

- **Mid-term Exam**

Week 10, 10/27 - 10/31: Producer Theory – Production Function

- Presentation 4: Engel Curves by Andreas Chai and Alessio Moneta (JPE 2010)

Week 11, 11/03 - 11/07: Elasticity of Substitution

- Problem set 3

Week 12, 11/10 - 11/14: Cost Function and minimization

Week 13, 11/17 - 11/21: Input Substitution and Profit maximization

- Presentation 5: Deregulation and Subequilibrium in the Australian Dairy Processing Industry by Hristor Doucouliagos and Phillip Hone (ER 2000)

Week 14, 11/24 - 11/28: Producers Surplus and Competitive Model

- Problem set 4

Week 15, 12/01 - 12/05: General Equilibrium and welfare

- Presentation 6: The Economics of Immigration by George J. Borjas (JEL 1994)

Week 16, 12/08 - 12/12: **Final Exam**