

**Intermediate Microeconomics, ECO 300**  
**Spring 2011**

**Instructor:** Dr. Barış K. Yörük

**Office:** BA 123D

**Email:** byoruk@albany.edu

**Class Time and Place:** TTH 1:15 PM-2:35PM / HU 039

**Course Web Site:** [www.albany.edu/~by872279/teaching.htm](http://www.albany.edu/~by872279/teaching.htm)

**Office Hours:** TTH 11:50 AM-12:50 PM or by appointment

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**Prerequisites:** The prerequisite(s) for Eco 300 are: Eco 110 with a grade of C or better; Eco 111; and Mat 106, 111, 112, or 118, or Eco 210. The Economics Department intends to deregister students whose Albany course records do not show that the required courses were completed with passing grades; concurrent enrollment is not sufficient. The deregistration may occur as late as the end of the semester, and students will be assigned a W grade by the Registrar. Individual exceptions to the prerequisite requirements require written permission of the instructor and approval by the Director of Undergraduate Studies in Economics during the drop/add period. Students who have taken a required course elsewhere that is not yet on their Albany records should ask for an exception.

**Texts:** (Required) *Intermediate Microeconomics and Its Application, 11th Edition*, by W. Nicholson and C. Snyder, South-Western, 2010.

**Requirements and Grading:** There will be five problem sets (25%), two midterm exams (25% each) and a final (25%). The dates of the midterm exams are March 1 (Tuesday) and April 5 (Tuesday). The date of the final exam will later be announced.

The problem sets range in difficulty from elementary to difficult. In some cases, they may require that you go beyond the material presented in class and consider various extensions. You are encouraged to discuss the problem sets in groups or during office hours. However, each student must turn in his/her own answers. The problem sets will be graded by the T.A based on effort. Problem sets must be submitted in class the day they are due. Late problem sets will not be accepted.

Make-up exams will be given only in accordance with University policy. Absences must be approved by the professor prior to the scheduled exam time. Unexcused absences will result in a grade of zero. Violations of academic integrity will be referred to the University Judicial Review Board and subject to sanctions and/or failure.

**Course Outline:****I. Introduction and Review: The Scope and Method of Economics Chapter 1**

In this course we will develop and study the basic tools employed in economic analysis. But what is the scope of economics? What sorts of problems do we seek to resolve? What are the relevant aspects of such problems and how do we incorporate them into our analysis?

**II. The Consumer: Choice and Demand Chapters 2-3**

In this section of the course we develop a theory of consumer decision-making in order to explain individual market behavior.

**III. The Firm: Production, Costs and Supply Chapters 6-8**

Next, we turn to the production or supply side of the economy, and we develop a theory of firm behavior analogous to that of section II.

**IV. Perfectly Competitive Markets: Partial Equilibrium Chapter 9**

In this section we complete the model of a perfectly competitive market. That is, we draw the supply and demand sides together in order to explain how prices are determined and how they serve to direct the allocation of resources.

**V. Imperfect Competition Chapter 11-12**

In Sections II-IV we studied perfectly competitive markets involving a large number of demanders and suppliers. We now consider the case in which agents have market power, that is, they are able to affect price. First, we consider a monopoly or a market with a single supplier. We wish to know how a monopoly works, how well it works, and how it differs from a competitive market. We turn to models of duopoly, or two sellers, and we consider the strategic interaction between firms.

**VI. General Equilibrium and Welfare Chapter 10**

Returning to the case of perfect competition, we now consider the economy as a whole, or all markets at once. In the time remaining, we focus on an economy in which consumers are endowed with initial resources and they engage in trade but no production takes place. We are interested in determining how such an economy would function and how well.