



ECON306: Intermediate Microeconomic Theory and Policy

Term: Winter 2025

Credits: 4

Course Dates: Jan 2, 2025 – Jan 22, 2025

Course Times: M/Tu/W/Th 10:00-1:10pm

Professor: Andrea Vilchez

Email: andreav@umd.edu

Office Hours: Wed. after class / by appointment

Zoom Link: Provided on Elms

Course Description

Intermediate Microeconomics introduces formal models of microeconomic theory, also known as Price Theory. The main subject topics covered are consumer theory (Demand), production (Supply), and competitive and noncompetitive market structures. We will cover both non-strategic models (perfect competition, monopoly, monopolistic competition) as well as strategic models of imperfect competition (game theoretic models of duopoly and oligopoly).

This class will take an applied approach by providing real world applications and policy analysis. While this class is a heavy "theory" based class, we will approach real world policy questions regarding welfare, taxes, subsidies, trade policy, industry regulation, price controls, antitrust policy, to name a few.

Prerequisites

The Economics Department imposes strict prerequisites for this class. Students eligible for credit must: **1 course with a minimum grade of C- in (ECON200 or AREC250); and minimum grade of C- in ECON201; and 1 course with a minimum grade of C- from (MATH120, MATH130, MATH136, MATH140).**

Required Resources

- Course Website: elms.umd.edu
- Textbook: Jeffrey Perloff *Microeconomics 9ed.*, Pearson, New York, 2018.
 - We will be using MyLab platform to access the digital textbook and complete accompanying assignments.
- Additional assigned material will be posted on Elms.
- Working camera: for exams.
- Calculator: for exams. Capability of doing exponential and root operations.

Course Guidelines and Structure

The course is entirely online. The Zoom session is scheduled for 10:00am to 1:10pm on each instructional day (M/Tu/W/Th). The Zoom link is available on Elms. Students who miss a live session are responsible for learning what they miss from that session. Please keep in mind that this is a fast-paced course, so you must do readings outside of class to stay up to date on the material.

Communication with the Instructor:

ELMS: I will send important announcements or updates through ELMS. To avoid missing messages, ensure that your email and announcement notifications (including changes in assignments and/or due dates) are enabled in ELMS. You are responsible for checking your email and Canvas/ELMS inbox on a regular basis.

Email: Due to federal privacy regulations (FERPA), you may only email me via your official university email or the ELMS messaging system. Using personal email accounts often results in spam or being ignored. If you need to contact me, please send an email to andreav@umd.edu rather than through ELMS. Always include the class number (ECON306) in the email subject. Before emailing me, make sure the information you need is not already available in the syllabus or on ELMS (for example, "When is this assignment due?"), but please **DO** contact me if you have any other personal, academic, or intellectual concerns or questions. While I will do my best to respond to emails within 24 hours, you will most likely receive email responses from me on weekdays between 8 a.m. and 6 p.m. ET.

Assignments

1. Homework Assignments (30 pts)

Intended to help you practice the concepts, identify, and correct your mistakes.

- 5 homework assignments.
- 2 attempts on each homework. After your first attempt, your incorrect answers will be marked, and you can retry for full credit.
- **Missed submissions:** If you miss a submission, you must provide me (andreav@umd.edu) with a valid university-approved excuse (see UMD Course Related Policies) **within 24 hours** to be approved for a make-up homework assignment. Failure to do so will result in zero points in that assignment, no exceptions.
- At the end of the term, I will drop the lowest score. This includes missed submissions that were awarded zero points.

2. Quizzes (15 pts)

These are intended to be done after working on the corresponding homework of similar (but not identical) problems and will test your understanding. They are shorter than the homework.

- 3 quizzes, 5 pts each.
- 2 attempts on each quiz.
- **Missed submissions:** The quizzes will be available at least three days before the due date. It is your responsibility not to put them off until the last minute or bear the consequences of missing them. Late quizzes will not be accepted, and missed submissions will result in zero points.

About Pearson MyLab: All homework and quiz assignments will be linked to ELMS but require registering for access to MyLab and then linking the accounts. If any technical problems arise, contact me immediately by email as well as Pearson help. Please provide a screenshot so I can better troubleshoot and verify the error. While emergencies do happen, because of the advance posting of assignments, you are on the hook for not completing them in time.

Please feel free to contact me in advance if you have any questions about any assignments. While I will not simply give you the answers to the exercises, I will gladly provide tips or assistance with assignments and materials. **Include a screenshot of the question or type it into the email.** Please use my email (andreav@umd.edu) instead of the ELMS email, as this allows me to respond with attachments if necessary.

Keep in mind that the assignments are designed to help you grasp the various concepts we cover in class so that you can apply them on the exams. Also, keep in mind that simply copying and pasting an answer does not help you learn the material.

3. Tests (30 pts)

- 2 tests, 15 points each, total 30 points.
- The tests are taken on ELMS and have a 90-minute time limit.
- You can use paper notes (open book), but you will not be permitted to access the internet. Students must use the LockDown Browser feature and a functional camera to monitor via Zoom. Make sure you have access to this; else, you will be unable to take the test. You are expected to finish the test on your own. Each student will take a different version.
- The exam format will be explained on the instructional day prior to the exam date.
- **Missed exams:** If you miss an exam, you must provide me (andreav@umd.edu) with a valid university-approved excuse (see UMD Course Related Policies) **within 24 hours** to be approved for a make-up exam. Failure to do so will result in a zero in that assignment.

4. Final Exam (25 pts)

- 1 final exam, 25 pts.
- The final will be submitted on ELMS and have a 120-minute time limit.
- You can use paper notes (open book), but you will not be permitted to access the internet. Students must use the LockDown Browser feature and a functional camera to monitor via Zoom. Make sure you have access to this; else, you will be unable to take the exam. You are expected to finish the test on your own. Each student will take a different version of the exam.
- The final exam format will be explained on the instructional day prior to the exam date.
- **Missed exams:** If you miss an exam, you must provide me (andreav@umd.edu) with a valid university-approved excuse (see UMD Course Related Policies) **within 24 hours** to be approved for a make-up exam. Failure to do so will result in zero points assigned.

Notes:

I will work with those students who have requested accommodations through ADS to provide what is needed. Please keep in mind that I am unable to evaluate any special needs on my own, so **all** accommodations must be made **through ADS**.

Please be aware that due dates may be changed depending on changes to the class pacing as the term progresses. **ELMS** will always have the most up to date due dates and assignment list. I will make every effort to alert the class to changes during class through Announcements.

Make-Up Exam Policy

All students are required to complete all assignments and exams to pass the course. Make-up homework assignments (not quizzes), exams and final exam will be granted only to those students whose reason for missing the homework/exam complies with University policy. The **four valid excuses** according to University policy are medical conditions, religious observances, participation in University events at the request of University authorities, and compelling circumstances beyond your control. Religious observances and participation in University events should be discussed with the instructor at least a week in advance. Self-signed notes on health center letterhead do not suffice as a doctor's confirmation of a medical condition. If you believe you are eligible to take a make-up exam, you are to inform the instructor immediately.

Grading Structure

Assignment	Percentage %
Homework assignments	30%
Quizzes	15%
Test 1	15%
Test 2	15%
Final Exam	25%
Total	100%

All assessment scores will be posted on the course ELMS page.

The final letter grade will be calculated using the following table, depending on which bracket your total number of points falls into. There is no extra rounding beyond what is already included in the table. For example, a total score of 74.499 is still less than 74.5, resulting in a B-.

I am happy to discuss any of your grades with you, and if I make a mistake, I will correct it immediately. Any formal grade disputes must be submitted in writing, within three days of receiving the grade.

Final letter grades are calculated using the percentage of total assessment points earned. To be fair to everyone, I need to establish clear standards and apply them consistently. Please understand that being close to a cutoff does not mean making the cut (89.99 \neq 90.00). It would be unethical to make exceptions for some and not others.

Final Grade Cutoffs (Tentative)									
+	97.00%	+	87.00%	+	77.00%	+	67.00%		
A	94.00%	B	84.00%	C	74.00%	D	64.00%	F	<60.0%
-	90.00%	-	80.00%	-	70.00%	-	60.00%		

Tips for Success in an Online Course

Please note that this is a fast-paced course, so it is crucial for you to do assignments and additional studying outside of class to keep up with the materials.

1. **Engage.** It's easy to get sidetracked while taking an online course, so do your best to stay on track and avoid outside distractions.
2. **Manage your time.** Make time for your online learning. Give yourself plenty of time to complete assignments including extra time to handle any technology related problems.
3. **Login regularly.** Log in to ELMS-Canvas everyday to view announcements and newly posted material.
4. **Do not fall behind.** This class moves at a **quick pace** and each week builds on the previous. It will be hard to keep up with the course content if you fall behind in the pre-work or post-work.
5. **Use ELMS-Canvas notification settings.** Canvas ELMS-Canvas can ensure you receive timely notifications in your email or via text. Be sure to enable announcements to be sent instantly or daily.
6. **Ask for help if needed.** If you need help with ELMS-Canvas or other technology, contact IT Support. If you are struggling with a course concept, reach out to me, and your classmates, for support.

Resources & Accommodations






Policies and Resources for Undergraduate Courses

It is our shared responsibility to know and abide by the University of Maryland's policies that relate to all courses, which include topics like:

- Academic integrity
- Student and instructor conduct
- Accessibility and accommodations
- Attendance and excused absences
- Grades and appeals
- Copyright and intellectual property

Please visit www.ugst.umd.edu/courserelatedpolicies.html for the Office of Undergraduate Studies' full list of campus-wide policies and follow up with me if you have questions.

To help you avoid unintentional violations, ***the following table*** lists levels of collaboration that are acceptable for each type of assignment. If you ever feel pressured to comply with someone else's academic integrity violation, please reach out to me straight away. Also, ***if you are ever unclear*** about acceptable levels of collaboration, ***please ask!***

	 OPEN NOTES	 USE BOOK	 SEARCH ONLINE	 ASK FRIENDS	 WORK IN GROUPS
Homework Assignments	✓	✓	✓	✓	✓
Quizzes	✓	✓	✓	✓	✓
Exams	✓	✓	x	x	x
Final Exam	✓	✓	x	x	x

If you are having trouble in this class for any reason, please contact me right away. If I know you're having trouble right away, I'll be much better able to assist you. I can make necessary accommodations and assist you in accessing University resources. Please contact me via email or during office hours for a private conversation.

Course Outline

Module #	Topics	Textbook	Assignment
1 Jan 2nd Supply and Demand model	<u>Supply and demand:</u> Course Introduction and syllabus Individual and market demand (demand aggregation). Shifts in demand. Individual and market supply. Shifts in supply. Market equilibrium. Shocking the equilibrium. Price, income, and cross-price elasticity of demand. Supply elasticity. Policy analysis: taxes.	Ch. 2,3	HW1 (due Jan 5 th 11:59pm, ELMS)
2 Jan 6th- 8th Consumer Theory	<u>Consumer choice:</u> Consumer preferences and utility, utility function, marginal utility, indifference curves (ICs), marginal rate of substitution (MRS). Income, budget constraint (BC), marginal rate of transformation (MRT), shifts of the BC. Constrained consumer optimization. <u>Applying consumer theory:</u> Deriving demand curves Engel curve Income and substitution effects Demand curves and elasticities Labor supply curves	Ch. 4,5	Quiz 1 (due Jan 10 th 11:59pm, ELMS) HW2 (due Jan 10 th 11:59pm, ELMS) Test 1 (Jan 11 th , ELMS)
3 Jan 9th-14th Producer Theory	<u>Producer theory:</u> Production function, short run (TP, MP, APL), diminishing returns, relationship between AP and MP. Finding max output, max output per worker, where diminishing returns occur. Long run (Iso-cost and isoquants). Costs: Short-run and long-run costs, economies of scale and economies of scope. Short-run and long-run supply, individual firm supply, aggregate supply in a competitive market.	Ch. 6, 7, 8	HW3 (due Jan 17 th 11:59pm, ELMS) Quiz 2 (due Jan 17 th , 11:59pm, ELMS) Test 2 (Jan 18 th , ELMS)

<p>4 Jan 15th Competitive markets</p>	<p><u>Perfect competition</u> Model assumptions, profit maximization, shut down condition, firm supply, market equilibrium in the short run and long run. Increasing-Cost or Decreasing-Cost industries.</p> <p>Applying the PC model: Gains from trade, long run producer surplus, consumer surplus, total surplus. Effects of shock to the equilibrium to welfare.</p> <p>Note: No class on Mon, Jan 20th (Martin Luther King Jr. Day)</p>	<p>Ch. 7, 8, 9</p>	<p>HW4 (due Jan 18th 11:59pm, ELMS)</p> <p>Quiz 3 (due Jan 18th 11:59pm, ELMS)</p>
<p>5-6 Jan 16th- 22nd Non-competitive market: Monopoly and Externalities</p> <p>Game Theory and Oligopoly</p>	<p><u>Monopoly:</u> Profit maximization, market power, deadweight loss, regulation of monopoly.</p> <p><u>Externalities:</u> Definition, finding deadweight loss, monopoly and externalities</p> <p><u>Game theory:</u> Game definition, static and sequential move games, examples.</p> <p><u>Oligopoly:</u> Market structures. Cournot, Stackelberg and Bertrand equilibrium</p>	<p>Ch. 11 (skip 11.6)</p> <p>Ch. 18.1-18.4</p> <p>Ch. 14.1-14.3</p> <p>Ch. 13.1-13.3</p>	<p>HW5 (due Jan 22nd 11:59pm, ELMS)</p> <p>Final Exam (Jan 22nd during class hours, ELMS)</p>

Note: This is a tentative schedule, and **subject to change** as necessary – monitor the course ELMS page for up-to-date deadlines. In the unlikely event of a prolonged university closing, or an extended absence from the university, adjustments to the course schedule, deadlines, and assignments will be made based on the duration of the closing and the specific dates missed.