Res Ec 711 – Applied Microeconomic Theory (I)
Fall 2012

John Spraggon
212-F Stockbridge Hall
(413) 545-6651
jmspragg@resecon.umass.edu

Course Time: TuTh 1:00-2:15PM
Location: Stockbridge 303
Office hours: By appointment

Course Objectives
This is a graduate level course in the theory of the single market, the firm, and the consumer. Prerequisites for this course are a working knowledge of differential calculus, linear algebra, and intermediate microeconomic theory. Topics such as welfare economics, general equilibrium, game theory, and imperfect competition will be covered in ResEc712 next semester. Fundamentally the purpose of this course is to introduce you to the building blocks of microeconomic theory. This will provide you with the tools necessary to both understand and conduct research in economics.

Textbooks
The course material will be drawn from a variety of sources. Jehle and Reny, *Advanced Microeconomic Theory* (3rd edition)(Jehle&Reny).[1] There is a website for this text which has solutions to many of the exercises. Some of these exercises will be assigned as homework, simply submitting the solution from the website will result in a grade of zero. A recommended reference for this course is the web-based text book: Introduction to Economic Analysis by Preston McAfee: http://www.introecon.com/

I would highly recommend you have a copy of a good mathematical economics book. I would recommend either Sydsaeter and Hammond, *Mathematics for Economic Analysis*, Hands, *Introductory Mathematical Economics*, 2nd edition, or Chiang, *Fundamental Methods of Mathematical Economics*, 3rd or 4th edition. Baldani, Bradfield, and Turner, *Mathematical Economics* (in the course notes, I will refer to this book as "BBT"). You may also find it helpful to have an intermediate microeconomic theory book handy.

Grading
There will be two midterm exams and a final exam. Below is a breakdown of how your grade will be determined:

Lower Midterm Grade	15%
Higher Midterm Grade	25%
Final Exam	35%
Weekly problem sets	25%

I will drop your lowest homework grade. Minimum grade cutoffs: 95=A; 85=A–; 80=B+; 75=B; 70=B–; 65=C+; 60=C; <60=F.

Homework
Because we may be discussing parts of the homework during class, homeworks are due at the start of class on the day assigned. Late homework will not be accepted without a compelling reason.

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[1] The 2nd edition will be fine if you can get it cheaper.

Problem sets will be posted on the course MOODLE page. You will be expected to download and print these on your own. (If you do not know how to do this, see me and I will show you). You are responsible for turning your problem sets in on time. I understand that the network may be down from time to time, or printers may not be working properly. My advice to you is to plan accordingly; **computer problems are not a valid reason for turning assignments in late**.

I will not always grade every single problem assigned on each homework. I will check that all the problems are completed, but will select a few problems at random for grading. Answer keys will be made available for you to check all your answers.

I believe that collaborative effort is a great way to learn. Therefore, for the homework, I strongly urge you to work in groups. To that end I will be setting up a course wiki. For each assignment I will create a page with the problems on it. You will be able to edit the page to discuss the solutions to the problems. However, you must turn in your own independent assignment. Part of your grade on the assignment will be related to your participation on the wiki.

MOODLE

Students can access Moodle in a variety of ways:
- Directly through http://moodle.umass.edu
- From SPIRE by clicking the LMS link associated with your course
- From the OIT site at http://www.oit.umass.edu

Once logged-in to Moodle, students can click on **Navigation > My Home** to see just the courses in which they are enrolled. If a course has not yet been released to students, it will not appear in this list. For more information about student access to Moodle see: http://www.oit.umass.edu/support/moodle/student-access-moodle-courses

Cheating

Please don't. Anyone caught cheating will receive an F for the course, and I will follow university procedures to pursue the matter to the fullest extent possible. The university has clear guidelines as to what constitutes academic honesty. It is your responsibility to read and understand the University's Academic Honesty Policy, which can be found at http://www.umass.edu/dean_students/rights/acad_honest.htm.

Also, remember that plagiarism includes not only copying someone else's *words* verbatim without appropriate citation, but also copying someone else's *ideas* and presenting them as your own. Again, if you are unsure, ask.

Course Outline – This Calendar is preliminary and is subject to change as we progress through the course.

Date	Topics	Chapters	Notes
Tue. Sept 4	Introduction	Mathematical Appendix A1-A2	Start Problem Set #1
Thurs Sept 6	Math Review	Appendix 1	
Tues Sept 11	Math Review Cont/.	Appendix 2	
Thurs Sept 13	Chapter 1: Preferences and Utility	1.1 & 1.2	**PS#1 due;**
Tues Sept 18			
Thurs. Sept 20	Chapter 1: The Consumer Problem, Indirect Utiltity and Expenditure	1.3 & 1.4	4pm, Elinor Ostrom talk **PS#2 due**
Tue. Sept 25			
Thurs. Sept 27	Chapter 1: Properties of Consumer Demand	1.5	**PS#3 due**
Tues. Oct 2			
Thurs. Oct 4			**PS#4 due**
Tues Oct 9			
Thurs Oct 11	MIDTERM 1		
Tues Oct 16	Chapter 2: Topics In Consumer Theory	2.1 Duality 2.3 Revealed Pref.	
Thurs Oct 18			
Tues Oct 23	Chapter 2: Topics In Consumer Theory	2.4 Uncertainty	
Thurs Oct 25			
Tues Oct 30	Chapter 3: Theory of the Firm	3.1, 3.2 & 3.3	**PS#5 due**
Thurs Nov 1			
Tues Nov 6		3.5 Profit Maximization	
Thurs Nov 8			
Tues Nov 13	Lab Session Partial Equilibrium		**PS#6 due**
Thurs Nov 15	MIDTERM 2	Chapters 1, 2 and 3	
Tues Nov 20	Chapter 4: Partial Equilibrium		
Thurs Nov 22	THANKSGIVING		
Tues Nov 27			
Thurs Nov 29	Comparative Statics		**PS#7 due**
Tues Dec 4			
Thurs Dec 6			**PS#8 due**