Course Overview

This course introduces students to economic models of individual decision-making. We start by studying consumer preferences and utility function, and then move on to consider firms and production functions. We then study the market and the strategic behavior of economic actors. The main goal is to provide the students with a solid background of the tools of microeconomic analysis as well as improving their problem solving skills. We will therefore study the basic microeconomic concepts in a rigorous way and use calculus as well as algebra.

Textbook

There is one required textbook available at the campus bookstore.


Homeworks

Students will have a week to complete the homework assignment. We will not accept late submissions unless you have a medical emergency or equivalent documented catastrophes. We will collect the homeworks each week, keep a record of who handed them in and provide a solution set. We will post the solutions on Sakai. At the end of the term, we will look at the homeworks of those students whose course grade (in absence of homework grade) is close to the borderline of a higher grade. If homeworks were handed in consistently and the quality of the work was good, we will then adjust grades for students who are close to a higher grade upward. Note that one downside of this system is that, unless you make a copy of your homeworks prior to handing them in, you will only have the solution sets (but not your own homework answers) to study from as the exams approach. If you want to have your own homework answers to study from, then you need to make a copy of your answers prior to handing them in.
TA Sections

In addition to the lectures, students will also be attending a weekly review section taught by an undergraduate teaching assistant. These sections are designed to help you understand how to apply the concepts studied in class. We will post the problems for the sections on Sakai at least a day before the first scheduled section for the week. You will benefit the most from the TA section if you invest some time working on the problems and go prepared to ask questions in class. Although we will provide the solutions to the section problems at the end of the week, they are no substitute to attending the section because the solutions are in no way detailed, and they might not help you gain a good understanding if you are struggling with applying a particular concept.

Exams

There will be two midterm exams and a cumulative final exam. Exams will be closed-book and closed-note. I encourage students to use a calculator and a ruler in the exams.

Grading

Midterm exams (30% each), Final exam (40%), Homework (as explained above)

Re-grading

If you believe that there was an error in grading your exam, you have to write out on a piece of paper the number of the problem that you believe an error has occurred along with the reason why you believe your answer deserves more points, and then submit this to the head TA. Note that you have to make your request within a week after exams have been returned, and late requests will not be accepted. The head TA will review your regrade request, and if he and I think that your request is legitimate, then we will adjust your grade accordingly. Note that, because errors can go in both directions, your entire exam will be regraded.

Make-up Exams

I will not give make-up exams for midterm exams. If a student misses a midterm exam and has a dean’s excused absence, then his/her final exam will count for 70% of his/her final grade. I will give a make-up final exam if a student misses the final exam and has a dean’s excused absence.

Extra Credit

Students enrolled in Econ205D are encouraged to participate in the Political Science experimental subject pool. Students will need to participate in 2 hours of Political Science Research Pool studies over the course of the semester to receive a 2% extra credit toward their final grade. More information is available at http://www.duke.edu/web/psrp. If you wish to participate, you can register at: http://duke-psrp.sona-systems.com.
**Academic Dishonesty**

Academic dishonesty will not be tolerated. Representing someone else’s work as their own or to cheat in any other manner will be pursued with disciplinary action and will result in an “F” grade for the class. See [www.integrity.duke.edu/ugrad/student.html](http://www.integrity.duke.edu/ugrad/student.html).

**Tentative Class Schedule**

August 27

Welcome and Introduction

August 29

Chapter 2: Mathematics for Microeconomics

September 3, 5

Chapter 3: Preferences and Utility

September 10, 12

Chapter 4: Utility Maximization and Choice

September 17, 19, 24

Chapter 5: Income and Substitution Effects

September 26

Chapter 6: Demand Relationship Among Goods

October 1

Chapter 9: Production Functions

October 3, 8

Chapter 10: Cost Functions

October 10


October 15

Enjoy the fall break! No class.
October 17
Chapter 11: Profit Maximization

October 22, 24, 29
Chapter 12: The Partial Equilibrium Competitive Model

October 31
Chapter 13: General Equilibrium and Welfare

November 5

November 7
Chapter 13: General Equilibrium and Welfare, continued.

November 12, 14, 19
Chapter 14: Monopoly

November 21
Happy Thanksgiving! No class.

November 26, 28
Chapter 8: Games and Strategy

December 3, 5
Chapter 15: Imperfect Competition

Should we have time to cover more topics, we can choose from
Chapter 18: Asymmetric Information
Chapter 19: Externalities and Public Goods

CUMULATIVE FINAL EXAM: December 15, 2012 Saturday, 2:00-5:00pm, closed-book, closed-note, in class exam.