

# Syllabus for Economics 205 Spring 2019

## Logistics

### Title, Time and Location

Course: Microeconomic Theory (with calculus)  
Time: Tu&Th 10:05–11:20  
Location: SS136

### Instructor

Name: Prof Curtis Taylor  
Email: [curtis.taylor@duke.edu](mailto:curtis.taylor@duke.edu)  
Office Phone: 919-660-1827  
Office Location: SS 315  
Office Hours: Tu 3:00–5:00 or by appointment

### Head Teaching Assistant (HTA)

Name: Yasha Miami  
Email: [yasha.miami@duke.edu](mailto:yasha.miami@duke.edu)  
Office: SS 327  
Office Hours: Fr 4:00–6:00.

### Exam Dates

Mid-term 1: Feb. 21 in class (subject to change).  
Mid-term 2: Apr. 4 in class (subject to change).  
Final Exam: May 4, 2:00–5:00 PM.

# Course Materials

The text book for this course is *Microeconomic Theory: Basic Principles and Extensions* 12th edition, by Nicholson and Snyder. (You may use the 11th edition if you wishe.) There are also lecture notes posted on Sakai. Please print them or bring a device to view them for each class so that you can follow along during the lecture. Prof Taylor is blind and does not write on the board, so it is important that you have access to the notes in class.

# Grading

Course grades will be determined by performance on three tests, two mid-terms and a final exam. Let  $M_i$  be your score on mid-term  $i$  and let  $F$  be your score on the final exam (all on a 100-point scale). Then your raw score  $Y$  for the course is calculated as

$$Y = 0.3 \times \max\{M_1, F\} + 0.3 \times \max\{M_2, F\} + 0.4 \times F.$$

Thus, it is possible to do poorly on one or both mid-terms and still get a good grade so long as you do well on the final. If necessary, the total number of points earned in the course by each student will be curved up by adding the number of points necessary to make the median score equal to 85. Let the median raw score for the course be  $\bar{Y}$ , then the adjusted score  $X$  earned by a student is

$$X = \begin{cases} Y, & \text{if } \bar{Y} \geq 85 \\ Y + (85 - \bar{Y}) & \text{if } \bar{Y} < 85. \end{cases}$$

point totals are converted to letter grades according to the following table.

	+		-
<b>A</b>	$x \geq 97$	$97 > x \geq 93$	$93 > x \geq 90$
<b>B</b>	$90 > x \geq 87$	$87 > x \geq 83$	$83 > x \geq 80$
<b>C</b>	$80 > x \geq 77$	$77 > x \geq 73$	$73 > x \geq 70$
<b>D</b>	$70 > x \geq 67$	$67 > x \geq 63$	$63 > x \geq 60$
<b>F</b>	$60 > x$	...	...

**Exam Rules:** Exams are closed-book, closed-notes. The use of calculators is permitted.

**Missed Exams:** Make-up tests will not be given for mid-term exams. If you miss a mid-term exam for any reason, then your final exam will automatically be reweighted to count for the test you missed. If you miss the final exam and you have a dean's excuse, then you will be given a make-up test.

**Regrades:** You are *not* automatically entitled to a regrade of an exam. If there was a clear and compelling error in grading your exam, then you may request a regrade. The procedure for requesting a regrade is to bring the exam to the HTA along with a one page typed petition detailing the supposed grading error. The HTA will decide whether to accept the petition and regrade the exam. Regrade petitions must be submitted to the HTA within 24 hours of when the exam is returned. If the HTA decides that the original grade was appropriate, then 1 additional point (for each separate request) will be deducted from your total score.

You will receive two bonus points on each exam – it is up to you whether you want to risk losing them by asking for a regrade.

**Missing Pages:** If the graders discover that pages are missing from your mid-term exam, the missing questions will receive a score of zero. If pages are missing from your final exam, then you may request a make-up final.

**Special Accommodations:** If you qualify for special exam accommodations, then you must present the letter certifying this to Prof Taylor within the first week of class. You must also contact Prof Taylor to make suitable arrangements no later than one week before each exam.

## Problem Sets

11 problem sets will be distributed throughout the semester and will be due by midnight on the date specified on the class schedule. Completed problem sets are to be submitted on SAKAI – be sure to upload legible files! Your problem sets will not be graded unless you are on the boundary between two grades (e.g., 86.9), in which case the HTA and Prof Taylor will look over your problem sets. A full portfolio of completed problem sets may add up to 0.5 points to your course total. While the problem sets are not formally graded, solving problems is essential for learning the material and the key to performing well on the exams! Indeed, versions of problem set questions often appear on exams.

## Fair Warning

Historically about 30% of the final grades received in this class are C, D or F. You are *strongly encouraged* to contact the HTA or Prof Taylor early in the semester for help and advice if you find yourself struggling. Once you have taken the final exam, there is *nothing* we can do to help you.

## Discussion Sections

Each student is assigned to a weekly discussion section. The section is run by either the HTA or a teaching assistant (TA), who is either a second-year PHD student in econ or advanced undergraduate econ major. In section the TAs will present solutions to practice problems that will be posted on Sakai. You are encouraged to attempt to solve the practice problems prior to attending discussion section, although the practice problems are distinct from the problem sets and you will not be asked to submit your solutions. The TAs will also hold weekly office hours where students can ask conceptual and technical questions.

## Responsibilities:

Please observe the following responsibilities.

- Do the relevant reading from the book prior to class.

- On exams, you *are not* responsible for material in the book that is not covered in the class notes or slides, but *are* responsible for material covered in the class notes or slides that is not in the book.
- You are strongly encouraged to attend class and the discussion section to which you are assigned. There may be material on the exams discussed in class that does not appear in the notes or the book.
- Do *not* come to class late or leave class early without receiving email permission from Prof Taylor to do so ahead of time. Late arrivals and early departures are disruptive and disrespectful to the professor and your fellow students.
- Make sure that your electronic devices are set to silent mode while in class and do not carry on side conversations during lecture.

## Academic Integrity

Students are encouraged to work together on problem sets and discuss their solutions (outside of class). Colluding, copying, or using unauthorized reference materials during exams is strictly prohibited! In general, students are expected to uphold the Duke Community Standard (aka the Honor Code), <http://studentaffairs.duke.edu/conduct/about-us/duke-community-standard>.

<b>DATE</b>	<b>TOPIC</b>	<b>READING</b>	<b>NOTES</b>
1-10:	Course Overview	Ch. 1 (all)	Lec1
1-15:	Preferences	Ch. 3 (all)	Lec2
1-17:	Consumer Optimality	Ch. 4 (pp. 115–126)	Lec3
1-20:	Problem Set 1 Due.		
1-22:	The Indirect Utility and Expenditure Functions	Ch. 4 (pp. 126–137)	Lec3
1-24:	Ordinary Demand	Ch. 5 (pp. 141–151)	Lec4
1-27:	Problem Set 2 Due.		
1-29:	Compensated Demand and Consumer Welfare	Ch. 5 (pp. 151–170)	Lec5
1-31:	Evaluating Policy	None	Lec6
2-3:	Problem Set 3 Due.		
2-5:	Labor Supply	Ch. 16 (pp. 578–582)	Lec7
2-7:	Inter-temporal Consumption	Ch. 17 (pp. 603–608)	Lec7
2-10:	Problem Set 4 Due.		
2-12:	Risk and Uncertainty	Ch. 7 (pp. 207–223)	Lec8
2-14:	Insurance and Investments	none	Lec8
2-17:	Problem Set 5 Due.		
2-19:	In class review		
2-21:	Mid-term exam 1		
2-26:	Production	Ch. 9 (all)	Lec9
2-28:	Cost Functions	Ch. 10 (all)	Lec10
3-3:	Problem Set 6 Due.		
3-5:	Profit Maximization	Ch. 11 (all)	Lec11
3-7:	Market Equilibrium	Ch. 12 (pp. 401–412)	Lec12
3-19:	Market Dynamics	Ch. 12 (pp. 412–439)	Lec13
3-21:	General Equilibrium	Ch. 13 (pp. 449–468)	Lec14
3-24:	Problem Set 7 Due.		
3-26:	General Equilibrium with Production	Ch. 13 (pp. 468–482)	Lec15
3-28:	Externalities	Ch. 19 (pp. 683–701)	Lec16
3-31:	Problem Set 8 Due.		
4-2:	Catch-up		
4-4:	Mid-term Exam 2		
4-9:	Monopoly	Ch. 14 (pp. 489–501)	Lec17
4-11:	Price Discrimination	Ch. 14 (pp. 504–516)	Lec18
4-14:	Problem set 9 Due		
4-16:	Basic Game Theory	Ch. 8 (pp. 247–263)	Lec19
4-18:	Oligopoly	Ch. 15 (pp. 525–540)	Lec20
4-21:	Problem set 10 Due		
4-23:	Tragedy of the Commons	Ch. 8 (pp. 261–263)	Lec21
4-28:	Problem Set 11 Due.		
5-4:	Final Exam, 2:00–5:00 PM		