

Syllabus, Intermediate Microeconomics

MWF 9am-9:50am, B&E room 305

Course description: This course examines individual incentives. We start by looking at incentives produced by various market structures, when individual incentives are in line with “social welfare”, appropriately measured, and when they are not. Remedies are considered in the latter case. The last third of the course will apply the economics of individual incentives to the study of crime.

Contact info: My name is Jeremy Sandford, and I am an assistant professor in the economics department at UK. Please call me Jeremy if you are comfortable doing so, otherwise Dr./Prof. Sandford is fine. My email address is jeremy.sandford@uky.edu. My website is jasandford.com. It has a detailed schedule, which I will update after each class, and information on homeworks and exams, including exams from past years.

Office meetings: I will have a regular office hour from 3-4pm each Tuesday, though probably at least once I will need to cancel this, which will be done via email. Additionally, I am often in my office during business hours, so you may stop by outside of office hours with a quick question. If you have a more involved question, please email me to set up an appointment (or come during office hours).

While many students can do well in the course without ever meeting with me, there is almost always a strong positive correlation between amount of time spent seeking my help and course grade.

Homework: There will be 5-6 graded homework assignments. The grade will be based on completeness as well as how thoroughly and correctly you have answered one or two questions that the grader selects to read through carefully. In addition to influencing your course grade, the homeworks are excellent preparation for the midterms and final exam, and so you should plan on devoting the bulk of your time for this course to understanding them.

You should be able to complete some homework problems immediately after attending the relevant class. Others may require reading the assigned chapters, while some problems you may find quite puzzling at first and the answer apparent only after considerable contemplation and several failed attempts. Problem solving skills are crucial in both Eco 401 and the economics major. The process of being stuck and having to invest effort in some homework problems is vital to developing your problem solving skills within economics and gaining the economic intuition which will help you in future classes.

Working together on homeworks is fine, however each student must turn in his own write-up of the answers. Identical or nearly identical answers will be treated as academic dishonesty and will receive no credit. That said, this policy allows for students to solve all of the problems together, so long as each student writes up her answers individually.

Homeworks 5 and 6 will consist of short essays, and will need to be typed.

Exams: The course has four 50-minute quizzes, in class on Monday, January 30, Monday, February 13, Wednesday, February 29, and Friday, March 23. The final exam is on Thursday May 3 from 10:30am-12:30pm. It is not possible to take any quiz or exam at a different time, short of a university-excused activity which is

discussed with me as far in advance as possible, or a documented serious illness. If you will not be available for any of these quiz/exam times, please do not take this course.

Course materials: The course has two required books. The first, “Microeconomics,” 7th edition by Robert S. Pindyck and Daniel L. Rubinfeld, will be used for the first $\frac{2}{3}$ of the course, and the second, “Economics of Crime,” by Daryl A. Hellman and Neil O. Alper, will be used for the last $\frac{1}{3}$. I suggest you consider purchasing used copies on Amazon or a similar site. In the case of the Pindyck and Rubinfeld book, consider also buying an older edition, which as far as I can tell differ only slightly from the current 7th edition. At the time I am writing this, a used 6th edition goes for \$17.58 on Amazon. In the past, I have found used 5th editions (published in 2000) sold for \$.01.

Grading: Course grades will be determined by a weighting of 6 homework assignments (4% each), 4 quizzes (12.5% each), and a non-cumulative final exam (26%). Over the last several instances of this course I have taught, I’ve given 24.3% of students A’s, 31.8% B’s, 32.7% C’s, and 11.2% D’s and F’s. Many of the D and F grades went to people who missed multiple homeworks and/or exams. I expect to follow a similar distribution this semester.

Quizzes, the final exam, and homeworks will be free-response, with most of the points coming from problem-solving questions. The nature of this format means that exam averages will be considerably lower than you may be used to from introductory classes and multiple choice exams. Indeed, a typical average for an upper-level economics exam is between 50 and 70. Do not panic when you see your exam score, instead wait to fit it into the context of how the class as a whole did. After returning exams, I will give you an idea of how to translate your numerical score into a letter grade.

All students will be given the same opportunity to do well in this class. In particular, no student will receive a higher letter grade than a student with a higher numerical score, so appeals to me for a particular grade are very likely to be fruitless. There is no extra credit, and all students will have their grade calculated in the same manner.

Academic dishonesty: Cheating on exams or quizzes or plagiarizing a homework assignment are both serious violations of university policy and it is my responsibility to the university to pursue each. I will seek to impose the maximum penalty allowed under university guidelines should I become aware of a student having cheated on a quiz or exam or plagiarizing a homework assignment. Note that, in most cases, working with a classmate on a homework assignment will not constitute cheating, while copying another’s homework verbatim will.

Students with disabilities: If you have a documented disability and need an accommodation, please make arrangements with me during the first week of the term. Please request that the counselor for students with disabilities send me a letter verifying your disability.

Topics Covered

Lecture	Topic	Pindyck & Rubinfeld chapter
1 (3 classes)	Consumer behavior	3.1-3.5, 4.1, 4.3-4.6
2 (3 classes)	Uncertainty	5
	QUIZ 1, 1/30/12	
3 (5 classes)	Firms and market structure	6.1-6.4, 8-10
	QUIZ 2, 2/13/12	
4 (5 classes)	Game theory	13
	QUIZ 3, 2/29/12	
5 (5 classes)	Markets with asymmetric information	17
6 (3 classes)	Externalities and public goods	18
	QUIZ 4, 3/23/12	
7 (15 classes)	Economics of crime	Hellman Alper book
	FINAL EXAM, 5/3/12	

This list is preliminary. I will maintain an updated schedule on my website, jasandford.com, which will list the actual topic on each class day, as well as any additional readings that may be required.