University of Maryland  
Master of Professional Studies in Applied Economics  
1400 16th St. NW, Suite 140, Washington, DC  
Syllabus for ECON 641: Microeconomic Analysis, Fall 2015

Administrative

**You are responsible for reading in detail this syllabus**

Professor: Brendan Epstein, Ph.D.  
Email: bepstei7@umd.edu  
Office hours: 30 minutes before class every Thursday evening, and by appointment.  
Class time: Thursdays 6:45 pm – 9:30 pm. (There will be a 15 minute break each class at some point between 7:45 and 8:30).

Teaching Assistant: Burak Turkgulu  
Email: MastersTA@econ.umd.edu  
Office Hours: Will be posted on the program’s ELMS/Canvas site, with weekly reminders via ELMS/Canvas Announcement

Course Website: Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course’s ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland “directory ID” and password.

NOTES:

The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. Students are responsible for updating their current email address via http://www.testudo.umd.edu/apps/saddr/ AND for paying attention to messages I send to the class. Failure to check email, errors in forwarding email, and returned email due to “mailbox full” or “user unknown” will not excuse a student from missing announcements or deadlines.

If you require any type of special accommodations, please let me know by no later than the end of the second class so that there is sufficient time to plan ahead for your needs.

Prerequisites

Admission to the Master of Professional Studies in Applied Economics Program

- This requires at least 1 semester of calculus with a grade of at least B-.
**General Description and Overview**

This course is about microeconomic analysis applied to public policy problems with an emphasis on practical examples and how they illustrate microeconomic theories. Policy issues such as pollution, welfare and income distribution, market design, industry regulation, price controls, tax policy and health insurance are practical examples used to illustrate the abstract principles of microeconomics.

**Required Textbook**

*Intermediate Microeconomics and Its Application*, by Walter Nicholson and Christopher Snyder, 12th edition. This book is referred to as NS in the class schedule at the end of this syllabus. You may also use the 11th edition of this book. I will work with students who have the 11th edition to resolve any discrepancies between the 11th and 12th editions that matter for the purposes of our course. Students who have older editions must assume responsibilities for resolving any discrepancies on their own.

NOTE: Used copies of textbooks can be obtained for a fraction of the price of new copies. However, there are additional online resources that you can access if you purchase a "bundled" version of the textbook. The "bundled" version comes with a special access code to online resources that you would not have if you bought a used copy of the book.

The bundled version of the book comes with what is called CourseMate. CourseMate has many features, but the one of these resources that is especially valuable to students is the online video solutions for 2 of the problems from the back of each chapter in the book. These video solutions are narrated by the textbook authors. They do not just show you the answer to the problem, but also demonstrate how to solve the problem, and what you should be thinking as you work through the problem. This is exactly the kind of help that students find most useful. This kind of help would normally take place during office hours with an instructor or a TA, but students in our program often find it difficult to meet outside of class time. These video solutions provide a very convenient way to get the most valuable kind of support on your own schedule.

A deal has been negotiated with the textbook publisher. You can purchase a brand new hardcover copy of the textbook, bundled with an access code for CourseMate. The cost if you purchase the bundle is $270. This is about $200 more than you would spend for a used copy of the book without access to CourseMate. My experience suggests that the extra $200 is well worth the expense for students who are serious about learning how to apply microeconomic analysis. ECON 641 will go very fast. There will not be a lot of time for remedial work during our weekly meetings, so many students may need extra help. A tutor would cost much more than $200 over the course of the semester. These textbook-author-narrated video solutions to selected problems are a very cost-effective way to get extra support in ECON 641.

The choice is yours. No one is required to purchase the bundled version of the book. If you prefer to purchase an un-bundled version of the book, that is your choice. But if you would like to buy
the bundled version, you can do so via this link: http://www.cengagebrain.com/course/1-1VSPZO2

Methodology and Work Load

Mastering this course’s material requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class—typically at least twice as much time.

You are expected to read and study the material covered in the majority of the textbook throughout the course. Most students will need to read some of the passages multiple times to really master the material. It is essential that you thoroughly read the chapters to be covered in any one class before coming to lecture, and it is most likely that you will have re-read at least some of the material as you study to be able to keep on top of things.

With some days in advance to each lecture, I will provide a set of relevant lecture notes that we will develop together in class (so, reading these lecture notes is not required before class, but reading the assigned chapters from the textbook is). These lecture notes will go over the most important concepts in each chapter, and expand on these concepts with richer mathematical sophistication, including calculus, as required by a Master’s program at the level of which you are enrolled in.

Each set of lecture notes will be accompanied by a set of practice problems with solutions that will be useful for preparing for examinations.

The courses in our program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course. The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace. If we’re going to cover all the same material as a traditional semester-long masters-level 3-credit course, we need to cover the material quickly.

In a nutshell: This course is demanding. There should not be very many days, if any, between now and the end of the course that you do not spend some quality time studying for this course.

Bottom line: If you work hard and concentrate on ECON 641 over the next 12 weeks, you will learn a lot of microeconomics. And you will develop the skills a professional economist needs to apply microeconomic theory in a wide variety of interesting and important contexts.

Grading and Related Issues

There will be no make-ups for any graded components unless you provide a legitimate excuse in a reasonably timely fashion that abides to University protocols. You will be evaluated on the basis of (1.) class participation; (2.) 3 quizzes; (3.) an in-class presentation; (4.) discussion of in-class presentations; and (5.) a final (cumulative) exam.
Quizzes and Final Exam

Quizzes and the final exam will be roughly based on the practice problems featured at the end of the lecture notes that I will distribute as well as problems featured at the end of each chapter that we cover from the required textbook.

Quizzes will be at the end of class and you will have 30 minutes to solve them. Both quizzes and the final exam are cumulative. So, for each of these examinations you are responsible for all material covered in class and related assignments through the date of the examination. Furthermore, in all of these examinations it is fair game to include questions on the in-class presentations (see details below). The final exam will be designed to take 2 hours, but you will be welcome to take the entire usual class time to solve it.

All told, your studying for this class should involve, among other things, going over the practice questions at the end of lecture notes, as well as problems at the end of the chapters that we cover from the required textbook.

In-Class Presentation and Discussions

The required textbook presents more than 100 concise “Applications” of microeconomic theory. These applications are typically one-page descriptions of how the theory in that section of the book has been applied by economists in a variety of contexts. The Applications presented in the book typically cite one or two academic journal articles upon which the applied work is based. The Applications also typically suggest a couple of interesting questions and/or policy challenges to think about. Students will use the textbook Applications as the basis over which they will build their in-class presentations. In essence, the in-class presentation will be an expansion of a textbook Applications.

In-class presentations will be done by students individually (one-time-only) and will be scheduled for every class starting from the second and going through the second-to-last (the number of presentations per class may vary depending on the number of enrolled students in the class; exact details will be given once we meet for the first time). In advance, I will select the Application topics that will be assigned as presentations, and then, also in advance, these topics will be assigned to presenters randomly using a computer algorithm. Presentation topics and presenters will be assigned soon after each class meeting (more details to follow in class).

I will give a sample presentation of my own on the first day of classes.

Details on the role of presenters:

1. The presentation should be done on PowerPoint slides.
2. The presentation should be designed to last about 10 minutes.
3. The presenter should be prepared to answer questions during the presentation (see “Role of audience member” below for more details on this).

4. Presentations are, of course, scheduled for class days, that is, Thursdays.
   a. The presenter should send me via email (to bepstei7@umd.edu) their PowerPoint slides by 9 pm on the Sunday prior to the Thursday on which they are presenting. I will then provide feedback on this presentation draft by 9 pm on the following day (Monday) that should be incorporated in the final version of the presentation.
   b. The presenter should then send me via email (to bepstei7@umd.edu) the final version of their PowerPoint slides by 12 pm on the day prior to their presentation (Wednesday), and ASAP thereafter I will make available the PowerPoint slides to the entire class.

Role for “audience members:”
1. Once the presenter’s PowerPoint slides are available to the entire class, audience members (i.e. everyone except the presenter(s)) should write a well-formulated single-sentence question intended for the presenter and send me their question by 12 pm on the day of the presentation (Thursday). If there is more than one presentation scheduled for any one class, then one question per presentation is required from each student.
2. I will then choose a few of these questions to ask the presenter at the time of their presentation, as well as one or more questions of my own.

Role for presenters and audience members post-presentation:

There will be post-presentation online discussions. (Three credit courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses’ 12 weekly 3-hour meetings only satisfy 80% of the university’s contact requirement. The other 20% is usually satisfied by mandatory and graded online contact. Instructors have some discretion in how they structure the online component of their course. In principle, the contact hours requirement could also be satisfied by scheduling 3 additional 3-hour meetings per term, or one additional 45-minute meeting per week. The online components of our courses are a more flexible way to ensure that our program’s courses provide the same level of student-instructor contact as a traditional 15-week, face-to-face, 3-credit course at the University of Maryland).

After each class I will post at least one question or comment to a discussion board on the course’s ELMS/Canvas site. The question(s) or comment(s) will be related to that evening’s presentations. Everyone in the class—including the presenter—can discuss the posted question until midnight the following evening.
**Extra Credit**

Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program. As an extra incentive for you to evaluate the course, in the final exam I will offer an extra credit opportunity to the whole class if the course evaluation response rate exceeds 80%. I will not be able to see which students have evaluated the course, nor anyone’s explicit evaluation, but I will be able to see the overall response rate.

**Calculation of Final Numerical Scores**

Your final numerical score is calculated as follows:

1. **Class participation:** 5% (of 100 total points available throughout the class). This is a general participation grade and is based off any sort of student participation done in class *unrelated to the in-class presentation and post-presentation discussions*. People who do not contribute anything, or anything of merit will get zeros. People who make insightful and constructive contributions will get 100. (People who make inappropriate contributions will have to have an in-person discussion with me.)

2. **In-class presentation grade** (presenter role): 5% (of 100 total points available for each student’s presentation). This grade will be based on the clarity and quality of the presentation, the presenter’s ability to incorporate in my pre-presentation feedback, and also the presenter’s answers to questions posed during the presentation.

3. **In-class presentation grade** (audience role): 5% (of 100 total points available throughout the class). This grade will be based on the clarity and quality of the questions that audience members are due to submit to me prior to each presentation. People who do not contribute anything, or anything of merit will get zeros. People who make insightful and constructive contributions will get 100. (People who at any point make inappropriate contributions will have to have an in-person discussion with me.)

4. **Post-presentation online discussion grade:** 5% (of 100 total points available throughout the class) People who do not contribute anything of merit will get zeros. People who make insightful and constructive contributions will get 100. (People who at any point make inappropriate contributions in the online discussion forums will have to have an in-person discussion with me.)

5. **In-class quizzes:** 10% per quiz (of 100 total points available per quiz).

6. **Final exam:** 50% (of 100 or 110 total points available; if the response rate to course evaluations exceeds 80% then there will be an extra credit opportunity reflected by a question on the final exam based off the required textbook’s chapters 13, 14, and/or 17, which we will not be covering in class; so, this extra credit opportunity is requires self-study. You will be notified in a timely fashion whether or not the extra credit opportunity will be available, that is, whether the response rate to course evaluations exceeded 80%. If the response rate to course evaluations exceeds 80% the final exam will be worth 110 total points—10 points of these will reflect the extra credit opportunity—and if it does not then the final exam will be worth 100 points).
On occasion, as the class moves along I will send you comments, via email, on how you are doing regarding components (1.), (3.), and (4.) so that, if needed, you can adjust in a timely fashion.

Your final raw numerical score is a weighted sum of the preceding components:

\[
0.05\times\text{(your numerical class participation grade)} + 0.05\times\text{(your numerical in-class “presenter role” grade)} + 0.05\times\text{(your numerical “audience role” grade)} + 0.05\times\text{(your numerical online discussion grade)} + 0.1\times\text{(your numerical Quiz 1 grade)} + 0.1\times\text{(your numerical Quiz 2 grade)} + 0.1\times\text{(your numerical Quiz 3 grade)} + 0.5\times\text{(your numerical final exam grade)} = \text{your final raw numerical score.}
\]

You will notice that the preceding calculation may add up to more than 100. This is so because of the potential for the extra credit opportunity on the final exam. If the extra credit opportunity is not available, and you obtain full numerical points on each grading component, then your final raw numerical score in the class would be 100. If the extra credit opportunity is indeed available and you obtain full numerical points on each grading component, then your final raw numerical score in the class would be 105. Therefore, your final effective numerical score in the class will be equal to:

\[
\text{max}(100, \text{your final raw numerical score})
\]

Your final effective numerical score in the class will then be curved for assignment of final letter grades. Letter grades will only be assigned for your final grade, so no letter grades will be assigned throughout the course for individual grading components. However, as the course makes progress, I will convey to the class how grade distributions stand up to any one date and what letter grades might be expected based on that distribution should the class have ended at that time with no commitment to that times numerical-to-letter-grade conversion holding at the end of the class (numerical score distributions may fluctuate substantially, which means that numerical-to-letter-grade conversions will vary as well depending on any one time’s numerical score distribution).
IMPORTANT: this semester there are two sections of this class. Although graded components and systems may vary between classes, at the end of the term grades across classes will be fully comparable as far as the student performance that they represent. That is, regardless of the grading system and components of each section, work that warrants, say, a B, will be assigned such grade in both sections of the class. All told, numerical grades between classes need not be comparable as far as final letter grades go. But, continuing with the preceding example, regardless of the section in which a student is enrolled in, within-section grading schemes and systems are designed to identify the same type of “B quality” work across sections, so a student that performs at the “B level” will get a B in the course regardless of the section for which they are registered in and regardless of the final numerical grade that represents B-quality work perhaps, and likely, differing between sections.

Standard Policies for the Program and the University of Maryland

Contact Hours: As noted earlier, three credit courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses’ 12 weekly 3-hour meetings only satisfy 80% of the university’s contact requirement. The other 20% is usually satisfied by mandatory and graded online contact. Instructors have some discretion in how they structure the online component of their course. In principle, the contact hours requirement could also be satisfied by scheduling 3 additional 3-hour meetings per term, or one additional 45-minute meeting per week. The online components of our courses are a more flexible way to ensure that our program’s courses provide the same level of student-instructor contact as a traditional 15-week, face-to-face, 3-credit course at the University of Maryland.

Academic Integrity: The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate and graduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonorcouncil.umd.edu.

Student Conduct: Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to show civility to one another or myself will be referred to the Office of Student Conduct. You are expected to adhere to the Code of Student Conduct.

Medical Excuses: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility – not the instructor’s – to get yourself caught up in the course. If you need to miss an exam or other course deadline because of illness, injury, or some other emergency: Follow doctor’s orders and get documentation. Get in touch with the instructor as soon as you’re able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course 8 requirement, but you are not entitled to extra days to study beyond the time the doctor’s note
says you’re incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an “Incomplete”. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669). Since our program is an evening program in downtown Washington, DC, rather than a day program in College Park, we do not always cancel classes on the same days as the College Park campus. The program director will always announce cancellation information to the program as an announcement on the program’s ELMS/Canvas site.

Students with Disabilities: The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, and national origin. Reasonable accommodations will be made to students with documented disabilities. I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program’s director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student’s GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree.

Building Access: The door to the building at 1400 16th Street is unlocked on weekdays until 7:00 p.m. Students who arrive after 7:00 will find the door locked. The building’s security guard is stationed at a desk just inside the door until 11:00 p.m. and will let you in. You can also call the phone on the security guard’s desk by dialing (202) 328-5158. If the security guard happens to be away from his or her desk when you arrive, you can pick up the black phone to the right of the door at 1400 16th Street. You will be connected to the company that handles security for our building. If you tell them you are with the University of Maryland, they should ask you for a password. The password is “Drawbridge”. When you tell them the password, they will be able to unlock the door for you.
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<tr>
<th>Class No.</th>
<th>Date</th>
<th>Notes</th>
<th>Topics and Reading Assignments (Textbook Appendices included)</th>
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<tr>
<td>1</td>
<td>Sept. 3</td>
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<td>NS Ch 1: Economic Models</td>
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<td>NS Ch 8: Profit Maximization and Supply</td>
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**Class Schedule**