

**MICROECONOMIC ANALYSIS**  
UNIVERSITY OF MARYLAND - COLLEGE PARK  
DEPARTMENT OF ECONOMICS  
M.S. IN APPLIED ECONOMICS PROGRAM

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ECON 641 Fall 2023  
Credit Hours: 3  
M 6:30 PM - 9:15 PM  
Location: Tydings Hall, 2102

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## OVERVIEW

This is a course in microeconomics, which focuses on scarcity and decision making by individuals, firms, and governments. As we will see throughout the course, economics is a very broad field. This course aims to develop a deeper and more advanced understanding of economic principles and economic thinking. The value of this course comes from being able to apply the principles and logical framework of economics to various settings. As such, critical thinking skills will be stressed and rewarded rather than rote memorization and regurgitation.

Students will master microeconomic theory at a level of mathematical rigor befitting a STEM-designated master of science degree program in applied economics. The level of mathematical rigor will be higher than in a typical undergraduate intermediate microeconomics course, but much lower than in the first year of a “top 40” economics PhD program like the University of Maryland’s. We will make extensive use of differential calculus. Students will apply microeconomic theory to a broad range of questions relevant to public policy.

Prerequisites: Admission to the Master of Science Program in Applied Economics.

Note: Admission requirements include grade of B or better in an introductory calculus course.

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## OBJECTIVES AND LEARNING OUTCOMES

The program has 7 general learning outcomes for students:

1. Ability to understand, evaluate and analyze economic data.
2. Ability to understand and interpret statistical evidence from economic data.
3. Ability to apply empirical evidence to assessing economic arguments.
4. Ability to apply macroeconomic theories to policy discussions.
5. **Ability to apply microeconomic theories to policy discussions.**
6. **Ability to communicate economic ideas to a broader audience.**
7. **Ability to evaluate the effectiveness of policy programs using sound economic techniques.**

The learning outcomes that pertain to ECON 641 are outcomes 5, 6, and 7.

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## COURSE WEBSITE

Copies of the course syllabus, grades, and other relevant links and documents will be posted on the course’s ELMS/Canvas website. You can access the site via [this link](#). You will need to use your University of Maryland “directory ID” and password.

## EMAIL

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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. The University creates an “@umd.edu” email address for every graduate student. All official UMD communications will be sent to students at their “@umd.edu” email address. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements and messages are forwarded to an email address that you check regularly. Failure to check email, errors in forwarding email, and returned email will not excuse a student from missing announcements or deadlines.

I will do my best to respond to email within 36 hours. I prefer that you contact me via email to ACKerr@umd.edu, rather than through the ELMS/Canvas messaging system, though I will reply to either kind of message.

## OFFICE HOURS AND COMMUNICATION

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My office hours are Mondays from 5:00 pm - 6:00 pm. TA’s office hours are Sundays from 4:00 pm - 5:00 pm. If you’d like to meet virtually, you must email me ahead of time and I will send a zoom link to connect. You should feel free to email me if you have any questions or would like to set up an appointment outside my office hours - I realize the times I have chosen may not work for all of you and I am happy to meet at other times or on other days. Please include “ECON 641” somewhere in the subject of all emails to help me prioritize a response to you. I will **not** respond to emails that: are sent from non-UMD email addresses; do not include a subject, salutation, and sign off; or ask questions that are answered in the syllabus.

## TEXTBOOK AND OTHER MATERIALS

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**Main Text:** *Microeconomics: Theory and Applications with Calculus* by Jeffrey Perloff (P). Any edition will work; don’t pay more when you can pay less. Syllabus references will come from the 5th edition.

It is important you buy the version that has “with Calculus” in the title as the non-calculus version is quite different in notation.

For student who would like additional texts to reference, recommendations are below:  
*Workouts in Microeconomic Theory* by Bergstrom and Varian (available online [here](#))  
*Microeconomic Theory: Basic Principles and Extensions* by Nicholson and Snyder

There are many online calculus resources. A good place to start is [Khan Academy](#).

Discussions during the semester will cover applications from the following textbooks:  
*Intermediate Microeconomics and Its Application* by Nicholson and Snyder  
*Microeconomics* by Goolsbee, Levitt, and Syverson

## CLASS PARTICIPATION AND ATTENDANCE

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Attendance is not explicitly part of the grade, but is **strongly** recommended. You are not likely to do well without regular attendance. However, this economic decision is yours. Keep in mind: history shows a strong, positive correlation between attendance and final grade in all classes I have taught. When in class please be courteous, and avoid imposing costs to those around you; please silence your cell phones, do not browse the internet, find a seat quietly if you are late, etc. If you miss a class, it is your responsibility to obtain any missing information, notes, etc. from your classmates. If I am late to class, please wait 15 minutes before leaving.

## EXAMS

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Two quizzes each worth 15% of the grade will be given in class. Tentative dates are 10/9 and 11/13. Quizzes will be cumulative and no make-up quizzes will be given. If you miss a quiz for any reason, the final exam will take the weight of it.

The cumulative final exam is scheduled for Monday, December 11th from 6:30 PM - 9:15 PM in our normal classroom. **The final exam will not be offered at an alternative time/date for any students without a university-approved excused absence. Please make your travel arrangements accordingly.**

The last day of final exams for the university is December 19th. Do not schedule travel before this date, as adjustments due to university-wide disruptions are possible up to the 19th.

## COURSEWORK

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There will be 5 homework assignments throughout the semester, always due Mondays at 6:30 pm. Students will need to upload a PDF version of their assignments to ELMS. See Tentative Course Outline (pg 6) for due dates. Homework assignments will count for 20% of the overall grade, but most importantly, they will be crucial in preparing for the final exam.

Students will participate in presentations based on current microeconomic topics. Each student will lead one discussion during the semester and all students are expected to participate. Your discussion grade will count for 10% of the overall grade (6% for leading, 4% for participating). Detailed descriptions of the presentation/discussion are available on ELMS.

A math assessment quiz will be given on September 25th and is worth 5% of the overall grade. Microeconomic theory relies heavily on a solid understanding of differential calculus and solving optimization problems. It is critical that students are able to solve these problems in order to progress through the class. This quiz will help identify students who need to spend more time reviewing calculus and optimization and those who are identified should plan to schedule additional math review sessions with the TA. Students are not permitted to discuss or work together on the math quiz.

No extensions or makeup assignments will be given. I encourage you to work with your classmates, but make no mistake - encouragement to work together does not imply that copying the work of others is acceptable. The answers you submit should be written entirely on your own.

### Grading:

Math Quiz:	5%
Quizzes (2):	30%
Final Exam:	35%
Homework:	20%
Discussion:	10%

**Replacement policy:** The final exam will replace one of your quiz score if it is beneficial to do so (i.e., if your final exam score is higher than your one of your quiz scores). Thus, the final exam will be worth either 35% or 50% of the overall grade.

In this course, rather than assigning a midterm that determines a high percentage of your final grade, I assign two smaller quizzes. With the above replacement policy, students have the flexibility to miss one quiz and have it not impact their final grade. However, you must take at least one of the two quizzes. If you miss both quizzes, an alternative quiz will only be offered if both absences were university approved absences. Students must provide documentation within 24 hours of the quiz/exam. Even with the replacement policy, documentation for absences on quiz/exam days is required for all students.

If you need a certain grade to maintain a GPA, the appropriate time to be concerned about this is from day one of the semester. I will not give extra credit or points at the end of the semester based

on special requests. Emailing me with a request to increase your grade above the one you earned will ensure no such courtesy will be given.

I will commit to the following grading scale, but reserve the right to adjust the cutoff points downward depending on the actual distribution of scores (I may curve final grades up, I will not curve them down).

93 - 100	90 - 92	80 - 89	70 - 79	60 - 69	50 - 59	40 - 49	30 - 39	20 - 29	10 - 19	0 - 9
A	A-	B+	B	B-	C+	C	C-	D+	D	F

**Re-grading:** Care is taken in grading, but there occasionally may be errors. For any disputes, you have one week (seven days) from the time the assignment or grade is returned to submit to me both the original assignment and a brief explanation of any part that you believe needs re-grading. I will regrade the entire assignment.

## UNIVERSITY POLICIES

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Policies related to all graduate courses at the University of Maryland are posted on [this page](#) of the Graduate School's website.

Please familiarize yourself with these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

### Workload

Mastering the material covered in this course 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.

### 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 visit [this site](#).

### 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.

### 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 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. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

### Excused Absences

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 to work with study partners, the teaching assistant, and the instructor to make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement 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 requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you've been 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." In such cases you must negotiate a plan with your instructor for completing the course requirements. 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). The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

### **UMD Counseling Center**

Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides comprehensive and confidential support services that promote personal, social, and academic success. The cost of these services is covered by the fees you already paid when you registered for classes, and there is no additional charge if you use the services. Proactively explore the range of services available, including the Counseling Service, Accessibility and Disability Service, and the Testing Office, all described [here](#).

### **Graduate Academic Counselor**

The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by visiting [this site](#).

### **Student with Disabilities**

The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, or national origin. Reasonable accommodations will be arranged for students with documented disabilities. Students who have an accommodations letter from the Accessibility and Disability Service (ADS) should meet with me during the first week of the term to discuss and plan for the implementation of your accommodations. If you require reasonable accommodations but have not yet registered with ADS, please contact the Accessibility and Disability Service at 301-314-7682 or [adsfrontdesk@umd.edu](mailto:adsfrontdesk@umd.edu).

### **Course Evaluations**

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.

### **Building Access**

Morrill Hall is locked every day from 7:00 p.m. - 7:00 a.m. Your university ID gives you swipe access to the back door of the building. There is keypad access to the door of Morrill 1102. The code will be shared with students by the program coordinator.

## GENERAL DISCLAIMER

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I reserve the right to make changes to the syllabus at any point in time throughout the semester. Most likely, this will happen with respect to the reading assignments. Some material will take longer to go through and other material we will get through faster than I intended. The obvious way to be informed about changes is to attend class.

## TENTATIVE COURSE SCHEDULE

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Topic	Readings	Important Dates
Supply and demand review and applications	P: 1-2, 9	HW 1 due September 18th
		<b>Math Quiz September 25th</b>
Consumer choice	P: 3-5	HW 2 due October 2nd
		<b>Quiz 1 October 9th</b>
Firms and production	P: 6-8	HW 3 due October 23rd
Monopoly, price discrimination	P: 11-12	
Oligopoly and monopolistic competition	P: 14	HW 4 due November 6th
		<b>Quiz 2 November 13</b>
Game Theory	P: 13	
Externalities and Public Goods	P: 17	HW 5 November 27th
		<b>FINAL EXAM - DECEMBER 11th</b>