

BERGEN COMMUNITY COLLEGE
Division of Business, Arts, & Social Sciences
Department of Social Sciences

Departmental Policy Syllabus

ECO-202 Intermediate Microeconomics

Instructor:
Office Location:
Phone:

Office Hours:
Email Address:
Departmental Secretary:

COURSE DESCRIPTION

This course is designed to deepen student's understanding and knowledge of theoretical and empirical microeconomic theory. Topics covered in the course include consumer utility and choice; production functions and cost; pricing of output and inputs under various market structures such as perfect competition, monopoly, monopolistic competition and oligopoly, as well as externalities and public goods.

Credits: 3
Hours: 3
Prerequisites: ECO-102

Co-requisites: None
General Education Course: No
Diversity Course: No

STUDENT LEARNING OBJECTIVES

The main goal of this course is to present a rigorous analysis of the demand theory and consumer behavior, the theory of production and costs, the equilibrium of the firm, the theory of income distribution and factor prices and the nature of economic models. These concepts will be presented both graphically and mathematically. As a result of meeting the requirements of this course, students will be able to:

- Analyze how individuals make consumption choices given a limited budget
- Develop a utility-maximization model and use it to explain how changes in prices and income affect consumer purchasing pattern
- Learn to derive demand curves from utility functions as well as to identify and analyze income and substitution effects
- Demonstrate how the firm chooses inputs such as labor and capital to produce output as well as how changes in technology affect the firm's production choices
- Produce the cost-minimization model of the firm and use it to understand how changes in factor prices affect a firm's decisions regarding the employment of labor, capital, and etc.
- Learn to derive both short-run and long-run cost functions and understand the relationship between a firm's cost function and its technology
- Understand the assumptions necessary for a market to be perfectly competitive, calculate short-run and long-run equilibria in such markets, as well as how changes in market conditions affect these equilibrium outcomes
- Identify economic factors that influence the number and size of firms in a perfectly competitive market as well as measure the impact of government policies on perfectly competitive markets

- Explain how monopoly firms choose price and quantity under both uniform pricing and price discrimination
- Categorize how the choices of a profit-maximizing monopolist are different from the choices that maximize social welfare
- Recognize when it is appropriate for a government to regulate a monopoly and explore possible regulatory options
- Analyze oligopoly markets and show how firms compete strategically in such markets
- Develop the general theory of pricing in input markets and show how the theory of profit maximization leads to the theory of the firm's demand for inputs
- Identify two general types of externalities and distinguish between market and government based solutions to such market failures

MEANS OF ASSESSMENT

In order to meet the Student Learning Objectives above, various assessment types will be utilized. The major assessment types used in this course are graded class discussions, homework assignments, tests and quizzes.

COURSE TEXTBOOK

Suggested textbooks: Nicholson, W. & Snyder, C. (2015). *Intermediate Microeconomics and Its Application*, 12th Edition. Boston, MA: South-Western College Publication.

GRADING POLICY

A student's final grade should be based primarily on his/her performance on the homework assignments and the mastery of the material covered in the course through quizzes and multiple choice tests. Class participation will also be part of the final grade.

ATTENDANCE POLICY

BCC Attendance Policy: All students are expected to attend punctually every scheduled meeting of each course in which they are registered. Attendance and lateness policies and sanctions are to be determined by the instructor for each section of each course. These will be established in writing on the individual course outline. Attendance will be kept by the instructor for administrative and counseling purposes.

OTHER COLLEGE, DIVISIONAL, AND/OR DEPARTMENTAL POLICY STATEMENTS

Academic Dishonesty: The College has a **zero-tolerance** policy regarding academic dishonesty. Instances of alleged academic dishonesty such as plagiarism or cheating will be reported to the Departmental Chair and the Vice President for Academic Affairs. Should such allegation be proven, the student will face failure for the work where the cheating occurred, and possibly be removed from the class and suspended from the college with a permanent record of the offense established.

Communication: Only communications made through Bergen e-mail account will be accepted. No personal e-mail accounts will be used. Each and every one of you has a Bergen e-mail account and you must use that account when communicating with faculty members.

Withdrawals: Students who decide to withdraw from the class can do so without penalty (with the exception of losing tuition money) as long as they meet the official deadline for withdrawal which is posted in the Academic Calendar of the college. Please check that Calendar for the exact date. Remember, do not just walk away from the course without officially withdrawing as it will result in a 3-credit zero averaged into your GPA. If you are failing the course, withdraw officially while you can without penalty.

Class Cancellation: Please view class cancellations online by selecting Class Cancellations under Current Students>Student Support Services on the College’s home page at www.bergen.edu.

Students with Disabilities: Students with documented disabilities who require accommodations by the Americans with Disabilities Act (ADA) can request support services from the Office of Specialized Services of Bergen Community College located in room L-116 of the Pitkin Learning Center. <http://www.bergen.edu/oss>

INCLUDE A COURSE OUTLINE AND CALENDAR

| Week(s) | Date(s) | Topic | Reading/Activity/Assignments |
|---------|---------|---|------------------------------|
| 1 | | CHAPTER 1: ECONOMIC MODELS 1-1 What is Microeconomics? 1-2 A Few Basic Principles 1-3 Uses of Microeconomics 1-4 The Basic Supply-Demand Model 1-5 How Economist Verify Theoretical Models | |
| 2-3 | | CHAPTER 2: UTILITY & CHOICE 2-1 Utility 2-2 Assumptions about Preferences 2-3 Voluntary Trades & Indifference Curves 2-4 Indifference Curve Maps 2-5 Illustrating Particular Preferences 2-6 Utility Maximization: An Initial Survey 2-7 Showing Utility Maximization on a Graph 2-8 Using the Model of Choice 2-9 Generalizations | |
| 3-4 | | CHAPTER 3: DEMAND CURVES 3-1 Individual Demand Functions 3-2 Changes in Income 3-3 Changes in a Good’s Price 3-4 An Application: The Lump-Sum Principle 3-5 Changes in the Price of Another Good 3-6 Individual Demand Curves 3-7 Shifts in an Individual’s Demand Curve 3-8 Two Numerical Examples | |

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| | | 3-9 Consumer Surplus 3-10 Market Demand Curves 3-11 Elasticity 3-12 Price Elasticity of Demand 3-13 Demand Curves and Price Elasticity 3-14 Income Elasticity of Demand 3-15 Cross-Price Elasticity of Demand 3-16 Some Elasticity Estimates | |
| 5 | | CHAPTER 5: GAME THEORY 5-1 Background 5-2 Basic Concepts 5-3 Equilibrium 5-4 Illustrating Basic Concepts 5-5 Multiple Equilibria 5-6 Sequential Games 5-7 Continuous Actions 5-8 N-Player Games 5-9 Incomplete Information | |
| 6 | | | EXAM 1 |
| 7 | | CHAPTER 6: PRODUCTION 6-1 Production Functions 6-2 Marginal Product 6-3 Isoquant Maps 6-4 Returns to Scale 6-5 Input Substitution 6-6 Changes in Technology 6-7 A Numerical Example of Production | |
| 7-8 | | CHAPTER 7: COSTS 7-1 Basic Cost Concepts 7-2 Cost-Minimizing Input Choice 7-3 Cost Curves 7-4 Distinction between the Short-Run and the Long-Run 7-5 Per-Unit Short-Run Cost Curves 7-6 Shifts in Costs Curves 7-7 A Numerical Examples | |
| 9 | | CHAPTER 8: PROFIT MAXIMIZATION AND SUPPLY 8-1 The Nature of Firms 8-2 Profit-Maximization 8-3 Marginal Revenue 8-4 Marginal Revenue Curve 8-5 Supply Decisions of a PriceTaking Firm | |
| 10 | | CHAPTER 9: PERFECT COMPETITION IN A SINGLE MARKET 9-1 Timing of a Supply Response 9-2 Pricing in the Very Short Run 9-3 Short-Run Supply | |

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| | | <p>9-4 Short-Run Price Determination</p> <p>9-5 Shifts in Supply and Demand Curves</p> <p>9-6 The Long-Run</p> <p>9-7 Long-Run Supply: The Constant Cost Curve</p> <p>9-8 Shape of the Long-Run Supply Curve</p> <p>9-9 Consumer and Producer Surplus</p> <p>9-10 Some Supply-Demand Applications</p> | |
| 10 | | <p>CHAPTER 10: GENERAL EQUILIBRIUM & WELFARE</p> <p>10-1 A Perfectly Competitive Price System</p> <p>10-2 Why is General Equilibrium Necessary?</p> <p>10-3 A Simple General Equilibrium Model</p> <p>10-4 The Economic Efficiency of Perfect Competition</p> <p>10-5 Why Markets Fail to Achieve Economic Efficiency</p> <p>10-6 Efficiency & Equity</p> <p>10-7 The Edgeworth Box Diagram for Exchange</p> <p>10-8 Money in General Equilibrium Models</p> | |
| 11 | | | EXAM 2 |
| 12 | | <p>CHAPTER 11: MONOPOLY</p> <p>11-1 Causes of Monopoly</p> <p>11-2 Profit Maximization</p> <p>11-3 What's Wrong with Monopoly?</p> <p>11-4 Price Discrimination</p> <p>11-5 Natural Monopolies</p> | |
| 13 | | <p>CHAPTER 12: IMPERFECT COMPETITION</p> <p>12-1 Overview: Pricing of Homogeneous Goods</p> <p>12-2 Cournot Model</p> <p>12-3 Product Differentiation</p> <p>12-4 Tacit Collusion</p> <p>12-5 Entry and Exit</p> <p>12-6 Other Models of Imperfect Competition</p> <p>12-7 Barriers to Entry</p> | |
| 14 | | <p>CHAPTER 13: PRICING IN INPUT MARKETS</p> <p>13-1 Marginal Productivity Theory of Input Demand</p> <p>13-2 Responses to Changes in Input Prices</p> <p>13-3 Responsiveness of Input Demand to Input Price Changes</p> <p>13-4 Input Supply</p> <p>13-5 Equilibrium Input Price</p> | |

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| 15 | | CHAPTER 16: EXTERNALITIES & PUBLIC GOODS 16-1 Defining Externalities 16-2 Externalities & Allocational Efficiency 16-3 Property Rights, Bargaining, and the Coase Theorem 16-4 Externalities with High Transaction Costs 16-5 Public Goods 16-6 Public Goods & Market Failures 16-7 Solutions to the Public Goods Problem 16-8 Revealing the Demand for Public Goods 16-9 Voting for Public Goods | |
| 16 | | | EXAM 3 |

Note to Students: This Course Outline and Calendar is tentative and subject to change, depending upon the progress of the class.