



Syllabus

ECN311G – Intermediate Microeconomics (6 ECTS)

Spring 2017

1. Contact details

Instructor: Prof. dr. Ilse Scheerlinck

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Office hours: Monday, 14:00-15:00, Thursday, 15:00-16:00, or by appointment.

The instructor will notify students in advance via Pointcarré in case office hours need to be re-scheduled.

The syllabus is a key document containing all practicalities, requirements and deadlines regarding the course. Students are required to read it thoroughly, immediately after receipt, and consult it daily throughout the semester.

Students should only use their official VUB e-mail addresses for College business. This e-mail address is also required to get access to Pointcarré, the virtual bulletin board that the instructor uses to communicate with students and to distribute course-related documents.

URL: <http://pointcarre.vesalius.edu/>

2. Time of classes

Classes will be held at the following times:

Tuesday, 8:30-10:00

Thursday, 8:30-10:00

3. Pre-requisites

ECN101G – Introduction to Economics

MTH201G – Mathematics for Business and Economics

4. Course description

The course provides an overview of microeconomic theory at the intermediate level. Part one introduces the scope of intermediate microeconomics. It also provides a refresher of the basic mechanisms behind supply and demand, as learnt in ECN101G, by explaining what a market is and how prices are determined. Part two analyses the theoretical core of microeconomics. It explains how producers and consumers make decisions, and applies supply and demand to competitive markets. Part three relates markets, pricing and output decisions to market structure and the behaviour competitors. This part will also deal with game theory and how managers can use it in making strategic decisions. While the first three parts focused on positive analysis, part four takes a more normative approach. This final part explains how markets may sometimes fail and how government may intervene in achieving economic efficiency.

5. Learning objectives

See section 17, for details.

6. Course material

Mandatory

Students are required to buy the following textbook:

Pindyck, Robert, S., and Rubinfeld, Daniel, L. (2013). *Microeconomics*. Eighth edition (or later). Boston: Pearson Education.

Additional documents such as press releases, applications, exercises, problem sets, up-to-date statistics will be publicized on Pointcarré.

Students are required to read the economics and financial press as it is very helpful in grasping the subject and writing the essay.

Interesting links

Financial Times: <http://www.FT.com>

The Guardian: <http://www.theguardian.com/international>

The Economist: <http://www.economist.com>

Note: students have free access to full-text edition of the *Financial Times* via the VUB library website:

http://www.vub.ac.be/BIBLIO/index_en.html

- ⇒ Databases
- ⇒ Financial Times
- ⇒ Use your student login.

Suggested non-mandatory readings to widen and deepen the knowledge of economics

Frank, Robert H. (2008). *Microeconomics and behavior*. New York: McGraw Hill, 7th edition (or later).

Varian, Hal R. (2014). *Intermediate microeconomics: a modern approach*. New York: Norton, 9th edition.

7. Class approach, preparedness, attendance, and attitude

Regular work and preparation

The instructor expects from students to work regularly and to show ethically correct behaviour.

Before coming to class, students should have read the material indicated on the syllabus. Class attendance and participation are important in order to master the course material.

The overall examination approach at Vesalius College involves regular assessment. This regular assessment requires regular class attendance.

The instructor will hand out a list of applications and exercises on all chapters to be covered throughout the semester. Students are required to solve by every next class the questions corresponding to the theory mentioned on the weekly schedule. The instructor regularly appoints students to answer the questions on the various course topics.

Course objectives in combination with time constraints do not allow us to cover in class all the material in the readings. We shall use the limited time available in a flexible way by focusing in particular on graphical concepts and theories, problem sets, and newspaper reports.

Attendance

The instructor takes attendance each class. In case a student misses two or more classes without any legitimate excuse, academic administration will be notified.

If you miss a class for whatever reason, please check the course syllabus and/or check with classmates in order to catch up on the subject.

Purpose of office hours

As an instructor, teaching to more than 50 students per semester, it is the instructor's responsibility to hold office hours in both an efficient and effective way. In case students have questions on the course materials, they are required to ask them as much as possible during the class sessions. Alternatively, questions can also be sent in advance to the instructor, who will treat the questions the next class.

Office hours are not meant for private tutoring of microeconomics, but rather to discuss more challenging aspects of the course materials, as well as the overall progress of students and feedback on tests and exams.

Attitude

The instructor places great emphasis on correct in-class behavior. Examples of wrong attitude are:

- arriving to class late;
- coming to class unprepared;
- failing to review the end-of-chapter questions and exercises;
- late notification of absence;
- rudeness, impoliteness, or disrespect to the instructor or classmates;
- using ICT (laptops, tablets, smartphones, etc.) for non-class purposes.

8. Applications and exercises for in-class discussion (see course schedule for due dates)

The main objectives of the applications and exercises for in-class discussion are:

- to apply and master the material on economics;
- to learn from your mistakes and the in-class feedback provided by the instructor, so you get better prepared for in-class tests and examinations;
- to participate in in-class tutorials;
- to help yourself get organised and meet deadlines.

Answers to applications and exercises do not have to be submitted and will not be graded. A good preparation may, however, help you master the theory and may

thus add to your performance on examinations. The instructor may ask students for their answers during in-class participation.

9. Written assignment: essay

Purpose

The purpose of the essay is to apply microeconomic theory to a real-life situation. Students are required to use relevant academic sources. In class, the instructor will propose eligible paper subjects.

The essay should consist of:

- a 200-word abstract describing context, aim method and main conclusion(s) of the paper;
- an introduction providing a brief description of the real-life situation that is to be analyzed, a clear-cut formulation of the research question, and an overview of the entire paper;
- a good structure based on numbered subtitles;
- a description of economic theory and concepts that will be used in your analysis, including graphs and algebraic expressions whenever appropriate;
- the application of the economic theory and concepts to the real-life situation;
- a conclusion that sums up the main findings of the analysis, provides a broader view on the subject, and formulates recommendations for future research or policy making;
- a bibliography that follows the APA reference system and reflects all references cited in the text.

The total length of the essay should be 2 500 to 3 000 words, abstract and bibliography excluded.

Grading criteria for essay

The following criteria will be applied in assessing your written work:

- ability to use microeconomic concepts and theories correctly and critically;
- ability to apply microeconomic theories and concepts;
- ability to reference correctly;
- ability to write correctly and effectively.

Grading rubric for essay

Scores: 5 Great work; 3-4 Good to very good work; 2 Satisfactory; 0-1 Unsatisfactory

| | | Score | Maximum | Total (= score x factor) |
|----------|---|-------|----------|--------------------------------|
| 1 | INTRODUCTION | | 5 | |
| 1a | The research question and real-life situation are well introduced and defined | | | |
| 1b | The choice of the topic is justified on objective grounds | | | |
| 1c | A coherent overview of the paper is provided | | | |
| 2 | THEORY (x 2) | | 5 | |
| 2a | At least one chapter from the textbook was used to choose relevant microeconomic theory | | | |
| 2b | The theory and concepts are described clearly and thoroughly | | | |
| 2c | The theory is connected in a meaningful way to the rest of the paper | | | |
| 3 | TOPIC | | 5 | |
| 3a | The topic falls within the domain of microeconomics | | | |
| 3b | Relevant theoretical perspectives have been chosen in relation to the topic | | | |
| 3c | The information on the topic is complete and adequate, given the research question | | | |
| 4 | ANALYSIS (x 2) | | 5 | |
| 4a | Argumentation and ideas follow a logical pattern | | | |
| 4b | Analysis connects theory to topic | | | |
| 4c | There are no logical mistakes or unjustified conclusions in the paper | | | |
| 5 | CONCLUSION | | 5 | |
| | The paper ends with a well-rounded conclusion that goes beyond a summary or restatement of points made | | | |
| | The conclusion formulates recommendations for future research or policy making | | | |
| 6 | SOURCES, REFERENCING AND BIBLIOGRAPHY (x 1.5) | | 5 | |
| | At least five academic sources have been used, including at least one article published in a peer-reviewed journal of economics | | | |
| | Sources are critically examined and placed in a broader perspective | | | |
| | The paper applies the APA reference system in a correct way | | | |
| | The references in the text match with the titles in the bibliography | | | |
| 7 | LANGUAGE, STYLE AND PUNCTUATION (x 1.5) | | 5 | |
| | The paper is written in good academic English in terms of grammar, vocabulary and punctuation | | | |

| | | | | |
|--|---|--|-----------|--|
| | The paper does not contain any disturbing typing errors | | | |
| | The paper is written from an impartial point of view | | | |
| | The paper is written in a good style | | | |
| | | | | |
| | TOTAL GRADE ON RESEARCH PAPER | | 50 | |

How to recognize a peer-reviewed article? The following link may be helpful.

<http://www.angelo.edu/services/library/handouts/peerrev.php>

10. Examinations

The exams will ask you:

- to briefly explain a number of theoretical concepts;
- to make graphical representations;
- to argue true or false statements;
- to apply what you have learned either by working a problem or by commenting on releases from the economics and financial press.

Since instructors have many other duties in addition to teaching, there is seldom room for make-up tests. In addition, re-scheduling short tests tend to miss the goal they are designed for. Hence, making up in-class announced or unannounced tests is highly discouraged.

In case of **absence from class, tests or examinations**, Vesalius administration and the instructor need **to be notified in advance**. Any notification that reaches me during or after the class, test or examination will be considered as INVALID.

Note: pop quizzes may be organised.

11. Grade distribution

The final grade on the course will be calculated on the following weighting:

| | |
|-------------------------------------|----------|
| Examination 1: in-class test | 10% |
| Examination 2: mid-term examination | 32% |
| Examination 3: final examination | 32% |
| Essay: | |
| - topic, research question and aim | 3% |
| - final document | 23% |
| TOTAL | 100% |

12. Grading scale of Vesalius College

The Vesalius College grading policy, in line with the Flemish educational norms, is stated as follows:

| Grade | Scale of 20 | Scale of 100 |
|--------------|--------------------|---------------------|
| A | 17.0-20.0 | 85-100 |
| A- | 16.1-16.9 | 81-84 |
| B+ | 15.3-16.0 | 77-80 |
| B | 14.5-15.2 | 73-76 |
| B- | 13.7-14.4 | 69-72 |
| C+ | 13.1-13.6 | 66-68 |
| C | 12.3-13.0 | 62-65 |
| C- | 11.5-12.2 | 58-61 |
| D+ | 10.7-11.4 | 54-57 |
| D | 10.0-10.6 | 50-53 |
| F | Below 10 | 0-49 |

13. Additional course policies

Policy regarding late submission of assignments:

1.5/20 point will be subtracted for each day of delay. Work submitted after 5 calendar days will be graded with an F (or 0/20).

14. Academic honesty statement

Academic dishonesty is **NOT** tolerated at Vesalius College.

Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity.

Each instructor at Vesalius College is responsible for ensuring proper conduct in his or her classes. The Catalogue has a section on academic honesty that students should read before continuing.

Severe punishment will be inflicted on anyone caught cheating. Students' responsibility, besides maintaining a high standard of personal honesty, includes taking precautions to prevent others from copying their work.

Examples of academic misconduct are: cheating on exams; working together on an assignment while it is supposed to be an individual work; failing to mention the references used for an assignment; using the same assignment topic in different courses without having notified the instructors of the courses.

For the end-of-chapter questions, the instructor expects students to invest individual and personal effort into preparing the questions. Also the written assignment is supposed to be done individually.

When referring to someone else's work, appropriate references and citations must be provided. Grammar, spelling and punctuation count. Hence, students should use the tools necessary to correct before handing in assignments.

Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean and submitted to the Student Conduct Committee for disciplinary action.

15. Course subjects

Chapter 1. Preliminaries

Chapter 2. The basics of supply and demand

Chapter 3. Consumer behavior

Chapter 4. Individual and market demand

Chapter 5. Uncertainty and consumer behavior

Chapter 6. Production

Chapter 7. The cost of production

Chapter 8. Profit maximization and competitive supply

Chapter 9. The analysis of competitive markets

Chapter 10. Market power: monopoly and monopsony

Chapter 12. Monopolistic competition and oligopoly

Chapter 13. Game theory and competitive strategy

Chapters 16, 17 and 18: selected topics

16. Schedule of course topics per week (incl. important dates and deadlines)

| | TOPICS | IMPORTANT DATES AND DEADLINES End-of-chapter questions are mentioned below this schedule |
|---|---|--|
| Week 1 16-20 January | Tuesday. Introduction: course and syllabus / Ch. 1 - Preliminaries Thursday. Ch. 1 - Preliminaries Ch. 2 - The basics of supply and demand | |
| Week 2 23-27 January | Tuesday. Ch. 2 - The basics of supply and demand Thursday. Ch. 2 - The basics of supply and demand | |
| Week 3 30 January- 3 February | Tuesday. Ch. 3 – Consumer behavior Thursday. Ch. 3 – Consumer behavior | Deadline for declaring essay topic (hard copy): Thursday, 2 February, 16:00 Title and 50-80 word description of topic, including research question and main aim |
| Week 4 06-10 February | Tuesday. Ch. 4 - Individual and market demand | |

| | | |
|--|--|--|
| | <p>Thursday.</p> <p>Ch. 4 - Individual and market demand</p> | |
| | | |
| <p>Week 5</p> <p>13-17 February</p> | <p>Tuesday.</p> <p>Ch. 5 - Uncertainty and consumer behavior</p> <p>Thursday.</p> <p>Ch. 5 - Uncertainty and consumer behavior</p> | <p>Tuesday, 14 February</p> <p>In-class test on Chapters 1,2, and 3</p> |
| <p>Week 6</p> <p>20-24 February</p> | <p>Tuesday.</p> <p>Ch. 6 - Production</p> <p>Thursday.</p> <p>Ch. 6 - Production</p> | |
| <p>Week 7</p> <p>27 February- 3 March</p> | <p>Tuesday.</p> <p>Ch. 7 - The cost of production</p> <p>REVISION</p> <p>Thursday.</p> <p>MID-TERM EXAMINATION</p> | <p>Thursday, 2 March</p> <p>Mid-term exam on chapters 1, 2, 3, 4, 5, and 6</p> |
| <p>Week 8</p> <p>06-10 March</p> | <p>Tuesday.</p> <p>Ch. 7 - The cost of production</p> <p>Thursday.</p> <p>Ch. 7 - The cost of production</p> | |

| | | |
|----------------------------------|---|--|
| | | |
| Week 9 13-17 March | Tuesday. Ch. 8 – Profit maximization and competitive supply Thursday. Ch. 8 – Profit maximization and competitive supply | |
| Week 10 20-24 March | Tuesday. Ch. 8 – Profit maximization and competitive supply Thursday. Ch. 9 – The analysis of competitive markets | |
| Week 11 27-31 March | Tuesday. Ch. 9 – The analysis of competitive markets Thursday. Ch. 9 – The analysis of competitive markets | |
| Spring recess | 03 - 14 April No classes | |
| Week 12 17-21 April | Tuesday. Ch. 10 – Market power: monopoly and monopsony Thursday. Ch. 10 – Market power: monopoly and monopsony | Deadline essay Thursday, 20 April, 16:00 (both hard copy and Turnitin submission) |
| Week 13 | Tuesday. | |

| | | |
|-----------------------------|---|---|
| 24-28 April | Ch. 12 – Monopolistic competition and oligopoly Thursday. Ch. 12 – Monopolistic competition and oligopoly | |
| Week 14 01-05 May | Tuesday. Ch. 16 – General equilibrium and economic efficiency Thursday. REVISION CLASS | |
| Week 15 08-12 May | WEEK OF FINAL EXAMS | Final exam date to be announced. *** Final exam topics: Chapters 7, 8, 9, 10, 12, 13, 16 |

Detailed planning of course topics

Chapter 1 Preliminaries

1.1, 1.2, 1.3, 1.4

Examples 1.3, 1.4

Chapter 2 The basics of supply and demand

2.1, 2.2, 2.3, 2.4, 2.5, 2.7

Examples 2.1, 2.2, 2.3, 2.4, 2.5

Chapter 3 Consumer behavior

3.1, 3.2, 3.3, 3.4, 3.5

Examples 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7

Chapter 4 Individual and market demand

4.1, 4.2, 4.3, 4.4, 4.5

Examples 4.1, 4.4, 4.5, 4.7

Chapter 5 Uncertainty and consumer behavior

5.1, 5.2, 5.5, 5.6

Examples 5.4, 5.5, 5.6, 5.7, 5.8

Chapter 6 Production

6.1, 6.2, 6.3, 6.4

All examples

Chapter 7 The cost of production

7.1, 7.2, 7.3, 7.4

Examples 7.2, 7.5

Chapter 8 Profit maximization and competitive supply

8.1, 8.2 (“Do firms maximize profit?”), 8.3, 8.4, 8.5, 8.6, 8.7

Examples 8.3, 8.6

Chapter 9 The analysis of competitive markets

9.1, 9.2, 9.3, 9.4 (Price supports)

Examples 9.3, 9.4

Chapter 10 Market structure: monopoly and monopsony

10.1 (p. 358-361), 10.2, 10.3, 10.4 (p. 377-378), 10.5

Examples 10.5, 10.8

Chapter 12 Monopolistic competition and oligopoly

12.1, 12.2, 12.3, 12.4

Examples 12.1, 12.2

Chapter 13 Game theory and competitive strategy

13.1, 13.2, 13.3, 13.7

Example 13.3

Chapter 16 General equilibrium and economic efficiency

16.1

Chapter 17 Markets with asymmetric information

17.1, 17.3

Examples 17.1, 17.2

Chapter 18 Externalities and public goods

18.1, 18.2, 18.4, 18.5, 18.6

Example 18.2

Questions for review and exercises (Chapters 1 to 7 of the textbook)

Students are required to prepare the questions relating to each chapter as indicated in the schedule above. The answers to the questions do not have to be submitted and will not be graded. A good preparation may, however, help you master the theory and prepare for examinations.

In case of problems in solving the questions, students are required to make more than one effort before contacting the instructor. In case of ongoing difficulties, please do not put off your requests until the eve of the test or exam.

Note: The list of review questions and exercises on the second part of the course materials will be communicated as of week 7.

Chapter 1

Questions for review 1, 2, 4, 5

Exercises 1, 2

Chapter 2

Questions for review 1, 2, 3, 4, 5, 6, 7, 8, 10, 11

Exercises 2, 3, 4, 6

Chapter 3

Questions for review 1, 2, 3, 4, 6, 8, 9

Exercises 2, 5, 8, 10, 14

Chapter 4

Questions for review 1, 2, 3, 4, 6, 7, 8, 12

Exercises 1, 2, 4, 6, 7, 10, 14

Chapter 5

Questions for review 1, 2, 3, 6, 7, 10, 11

Exercises 1, 4, 9

Chapter 6

Questions for review 1, 2, 3, 4, 5, 6, 7, 8, 9, 11

Exercises 1, 2, 3, 4, 5, 7, 8

Chapter 7

Questions for review 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14

Exercises 1, 2, 5, 6, 9

17. Major learning objectives, teaching methods, testing and feedback sessions

Summary:

Number of assessments (assignments, tests, examinations) used in this course: 4

Number of feedback occasions in this course (either written or oral): 2 oral in-class sessions (on test and mid-term exam) and 1 written report through rubric (on essay)

Number and types of teaching methods: lectures on theory and short cases, tutorials, in-class discussions

Does the course require graded student oral presentations?: No

| Major Learning Objectives | Course Learning objectives addressing the Major Objectives (choose the most important ones that your course actually addresses) | Methods used to Teach Course Objectives | Methods (and numbers/types of assignments) used to test these learning objectives | Type, Timing and Numbers of Feedback given to Student |
|---|--|--|--|---|
| The bachelor has a broad knowledge of the different functional fields of business management. He is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems. | X | Lectures on theory and cases, tutorials | Test (on exercises and basic concepts) Mid-term exam Final exam Written assignment: essay | Oral in-class feedback one week after the test Oral in-class feedback one week after the mid-term exam Written report through rubric, end of the semester |

| Major Learning Objectives | Course Learning objectives addressing the Major Objectives (choose the most important ones that your course actually addresses) | Methods used to Teach Course Objectives | Methods (and numbers/types of assignments) used to test these learning objectives | Type, Timing and Numbers of Feedback given to Student |
|---|--|---|--|---|
| The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making. | | | | |
| The bachelor has insight into the broad societal context of businesses and is able to take it into account in the analysis of business-oriented problems. | X | Lectures on theory and cases, tutorials | Mid-term exam Final exam Written assignment: essay | Oral in-class feedback one week after the mid-term exam Written report through rubric, end of the semester |
| The bachelor knows and is able to apply common qualitative and quantitative research methods and is able to apply these in the field of business studies | X | | Written assignment: Essay | Written report through rubric, end of the semester |
| The bachelor has an open and academic attitude characterized by accuracy, critical reflection and academic curiosity. | X | Tutorials requiring students to do thorough preparation and critical reflection on review questions and exercises | Test Mid-term and final exam | Oral in-class feedback one week after the test Oral in-class feedback one week after the mid-term exam |
| The bachelor is able to identify the international dimension in business-related problems and knows how to | | | | |

| Major Learning Objectives | Course Learning objectives addressing the Major Objectives (choose the most important ones that your course actually addresses) | Methods used to Teach Course Objectives | Methods (and numbers/types of assignments) used to test these learning objectives | Type, Timing and Numbers of Feedback given to Student |
|---|--|---|--|---|
| handle these problems in an effective way. | | | | |
| The bachelor is able to work in a multi-cultural team. | | | | |
| The bachelor recognizes the importance of life-long learning. | | | | |
| The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation. | X | | Written assignment: essay | Written report through rubric, end of the semester |
| The bachelor is able to combine ethical and business-oriented judgments in the analysis of business problems and takes these ethical considerations explicitly into account in the solutions proposed for business problems | X | Lecturing on specific theories and cases combining ethical issues and normative analyses (e.g., ethical limitations of free markets, analysis of market failure and need for government intervention to raise social optimum) | Mid-term and final exam Written assignment: essay | Oral in-class feedback one week after the mid-term exam Written report through rubric, end of the semester |

