THE UNIVERSITY OF THE WEST INDIES

COURSE OUTLINE FOR ECON 2000

Course Code: **ECON 2000**

Course Title: **Intermediate Microeconomics I**

Campus and Faculty:	**St. Augustine, Faculty of Social Sciences**
School, Department, or Centre:	**Department of Economics**
Semester and Level:	**Semester I, Level II.**
Pre-requisites:	ECON 1001, ECON 1002 and ECON 1003
Co-requisites:	None
Anti-requisites:	MGMT 2032
Course Type:	Core
Credits:	3

Mode of Delivery: **Face-to-Face** ✓ **Blended** ❑ **Online** ❑

Lecturer's Information

Lecturer **Office Address and Extension** **E-mail Address** **Office Hours**	Dr. Anne-Marie Mohammed Room 204, FSS, Ext.: 82631 Anne-Marie.Mohammed@sta.uwi.edu Tuesdays/Wednesdays: 8:00-9:00 a.m. (All Other Times By Appointment)
Lecturer/Tutor **E-mail Address** **Office Address/Office Hours**	Mr. Shane Musai Room 206 Shane.Musai@sta.uwi.edu Tuesdays 11:00-12:00 am (All Other Times By Appointment)

1. Course Description

Intermediate Microeconomic theory furnishes the essential tools and techniques, which are used in all areas of economic analysis. This component of the course will present a rigorous analysis of the following:

Demand Theory and Consumer Behaviour

The Theory of Production

The Theory of Costs

The Equilibrium of the Firm

The Theory of Income Distribution and Factor Prices

The Nature of Economic Models

These topics will be covered in some detail and will include inter alia indifference curves, consumer's surplus, compensated demand curves, production functions, isoquant analysis, neo-classical cost functions, homogenous functions, demand and supply elasticity, marginal revenue and value of marginal products.

These concepts are presented both graphically and mathematically. At the end of this course, the student would have been equipped with a significant portion of the language of economic analysis. Students are informed that this course is very intense and covers a large body of knowledge. They are expected to complete all assignments and attend tutorial sessions, as this is essential to success in the examination.

2. Rationale

The purpose of this course is to enhance the microeconomic knowledge of students and to improve their techniques of economic analysis. The course combines the use of economic theory, diagrams and mathematical concepts to ensure that students understand that all of these are necessary tools to be used when economic analysis is being conducted. Therefore, one of the aims of this course is to ensure that students can distinguish when the methods should be used independently and when they should be combined for a more comprehensive analysis.

3. Course Aims

As previously emphasized, the main aim of this course is to ensure that the student is well-versed in microeconomic theory and methods of analysis of microeconomic theory. Students should also use the course as a means for improving their methods of economic analysis.

1. Refresh the students' memory on the link between mathematical and theoretical analysis.
2. Ensure that students know how to interpret and use diagrams to improve their explanation of specific topics.
3. Improve students' writing techniques so that they may be able to answer questions concisely and comprehensively.
4. To deliver the course in a manner that is understandable by students.
5. To prepare students for critical analysis of economic systems in their third year and postgraduate research.

4. Course Learning Outcomes

By the end of this course, students will be able to:

1. Assess economic models and examine methods used to validate these models.
2. Describe and explain microeconomic theory and its usefulness.
3. Apply skills gained in other economics courses to assist them in microeconomic analysis.
4. Analyze the behaviour of decision-making within firms and households and understand their main goals.
5. Answer questions using several types of economic analysis involving diagrams, detailed explanations and mathematics.
6. Communicate economic concepts using models, mathematics, charts and graphs.
7. Analyze how firms determine their output decisions, cost strategy and input factors.

5. Course Content

1. **<u>Economic Models: An Appraisal</u>**

-What is Micro-Economic?

- Uses of Micro-Economics.
- The basic demand/supply model (The Invisible hand and diminishing returns)
- Marginalism & Equilibrium
- Model Verification

W. Nicholson	Chapter 1
A. Asimakopulos	Chapter 2

2. **The Theory of Consumer Behaviour**

Utility, preferences, indifference curves, marginal rates of substitution, budget constraints, homogenous demand functions, normal and inferior goods, income and substitution effects, substitutes and complements, consumers surplus (compensating and equivalent variation approaches) market demand curves, elasticity (point and cross) income elasticity, marginal revenue and price elasticity, constrained optimization, lagrange functions, uncertainty and risk, expected value, fair gamble, Nash equilibria, dominant strategies and mixed strategies.

W. Nicholson:	Chapter 2, 3, 4, 5
A. Asimakopulos:	Chapter 5 (omit 5:20) Chapter 6 (omit 6:5,6:6,6:7,6:9,6:10,6:11)
A. Koutsoyiannis:	Chapter 2 (omit section 111)

3. **The Theory of Production**

Elements and factors of production, production functions, marginal products, returns to scale, technical progress, substitution between elements of production, diminishing returns, marginal rate of technical substitution, isoquants, elasticity of substitution, Cobb Douglas functions, homogeneity, critique of neo-classical functions.

W. Nicholson:	Chapter 6
A. Asimakopulos:	Chapter 7
A. Koutsoyiannis:	Chapter 3 (omit section V and VI)

4. **Theory of Costs**

Plant variable costs, plant fixed costs, cost and production functions, neoclassical production functions, single inputs, neo-classical cost curves, average and marginal costs, short run and long run costs, alternative cost functions.

W. Nicholson:	Chapter 7
A. Asimakopulos:	Chapter 8
A. Koutsoyiannis:	Chapter 4 (omit sections IV and VI)

5. Pricing in Input Markets

Marginal Productivity and factor pricing, marginal revenue product, value of the marginal product, the labour/leisure tradeoff, Ricardian rent, interest and profit.

W. Nicholson	Chapter 13 (omit appendix)
A. Asimakopulos	Chapter 15, Chapter 16 (omit 16:5, 16:6, 16:10)
A. Koutsoyiannis	Chapter 21 (omit sections ii & iii)

Course Calendar

Week	Topic	Required Readings Learning Resources	Learning Activities	Assignments	
				Name	Due Date
1.	Introduction, Review of Course Outline, Economic Models.	W. Nicholson and C. Snyder: *Chapter 1*	Introduction, Address Questions about the course, Lecture with Discussion		
2.	Utility and Choice	W. Nicholson and C. Snyder: *Chapter 2*	Lecture with Discussion		
3.	Demand Curves	W. Nicholson and C. Snyder: *Chapter 3*	Lecture with Discussion		
4.	Demand Curves (Continue)	W. Nicholson and C. Snyder: *Chapter 3*	Lecture with Discussion		
5.	Uncertainty	W. Nicholson and C. Snyder: *Chapter 4*	Lecture with Discussion		

6.	**1st In-Class Exam**	**Class Notes, Textbook, Tutorial Sheets.**	**Examination**	**Coursework Exam 1: 20%**	**Week 6**
7.	Game Theory	W. Nicholson and C. Snyder: *Chapter 5*	Lecture with Discussion		
8.	Theory of Production	W. Nicholson and C. Snyder: *Chapter 6*	Lecture with Discussion		
9.	Theory of Cost	W. Nicholson and C. Snyder: *Chapter 7*	Lecture with Discussion		
10.	**2nd In-Class Exam**	**Class Notes, Textbook, Tutorial Sheets.**	**Examination**	**Coursework Exam 2: 20%**	**Week 10**
11.	Pricing in Input Markets	W. Nicholson and C. Snyder: *Chapter 13*	Lecture with Discussion		
12.	Pricing in Input Markets (Continues)	W. Nicholson and C. Snyder: *Chapter 13*	Lecture with Discussion		
13.	Course Review *(No introduction of new topic or content)*	Course Notes	Practice Questions, Review Content, and Address Any Misunderstandings and Questions.		

6. **Teaching Methods**

The course will mainly be delivered through lecture-style teaching. However, students will be required to interact with the lecturer and their peers as required, when a discussion-style technique is employed. Teaching aids will include PowerPoint presentations and analogies of real-life phenomena. Lectures and Tutorials will be delivered face-to-face. Lectures will be for a duration of two hours each week and will cover the entire course content and will involve interactive discussions on each week's topic. Tutorials will be for a duration of one hour each week and will focus on short-answer, mathematical and graphical questions from the previous week's lecture as guided by the tutorial sheets. This course has no lab sessions.

7. **Contact and credits hours: Example - Lecture, Tutorial, Labs, other:**

Type	Duration (Number of weeks)	Contact Hours	Credit Hours
Lecture	12	24	1
Tutorial	12	12	1
Labs	0	0	0
Other (e.g.): Assigned independent readings; quizzes	12	12	1
Total:	**12**	**48**	**3**

8. Course Assessments Description

The coursework components of this course constitute 40% of your overall grade for this course, while the final exam constitutes the remaining 60%. See the table below regarding the distributions of marks.

9. Course Assessment Type and Course Learning Outcome Matrix

#	Assessment Item	Learning Outcomes (See Section 4)	Weight %	Description
1	Coursework Exam 1	1, 2, 3, 5, 6	20%	Students will take an in-class multiple choice examination (MCQ) focused on the first topics of this course. Duration: 1 Hour
2	Coursework Exam 2	2, 3, 4, 5, 6, 7	20%	Students will take an in-class structured exam which consists of short answer, graphical and mathematical questions. Duration: 1 Hour
3	Final Examination	1, 2, 3, 4, 5, 6, 7	60%	Invigilated Final Examination. Duration: 2 Hours

10. Attributes of the Ideal UWI Graduate relating to this course:

- ✓ A critical and creative thinker
- ✓ An effective communicator with good interpersonal skills
- ❑ IT-skilled and information literate
- ✓ Innovative and entrepreneurial
- ✓ Globally aware and well-grounded in his/her regional identity
- ❑ Socially, culturally and environmentally responsible
- ✓ Guided by strong ethical values.

11. Readings/Learning Resources *(Online and Print)*

Required/Essential

Walter Nicholson and Christopher Snyder "Intermediate Microeconomics and its Applications" the 12th Edition. Cengage Learning, ISBN 978-1-133-18902-2.

Recommended

a. *A. Asimakopulos 'Micro-Economics' Oxford University Press*
b. *A. Koutsoyiannis 'Modem Micro-Economics 2nd Edition, Macmillian*

The Nicholson and Snyder is available in the Book Store. Readings from the other two texts have now been placed online within the course site for Econ 2000. You may be required to source other readings from the library, which may not be available online. It is imperative that you download these readings early and begin your studies.

Other: (Special Equipment/Tools)

None