Course Syllabus for Applied Economics 5151
Applied Microeconomics: Firm and Household, Spring 2014
15:00 –16:15 Tuesday and Thursday, Room: B22

Instructor: Metin Çakır, Room: 317f Ruttan Hall, Phone: 626-7769, Email: mcakir@umn.edu

Office hours: Monday 10:00–12:00. Please feel free to contact me by phone or email at any time to discuss the class material, assignments, etc, or to set up a meeting.

Course Description:
This is an advanced course in applied microeconomic theory. The main focus of the course is to help students build intuition about economic models and obtain analytical tools to go further with their studies. In particular, this course covers the fundamental methods and theories of microeconomics and provides students with the basic mathematical tools and concepts required to understand scientific papers. Through working on advanced problems and empirical implementations of the introduced theories, students will improve their understanding of how microeconomic theory is used today to solve real world social and economic problems.

Learning Outcomes:
By completion of this course, students will be able to
i) understand the foundations, basic framework, and complexity of microeconomic theory.
ii) relate microeconomic theory to real world social and economic problems at the micro level.
iii) utilize basic tools and concepts required to read and understand scientific papers.
iv) write a theoretical framework of a research paper using the introduced theories.
v) improve their analytical and problem solving skills, and critical thinking.

Required Textbook:

Recommended Textbook:

Course Requirements:
Students will be evaluated on the basis of 8-10 problem sets, a midterm, and a final exam.

Grading:
Problem Sets (8-10): 30%
Midterm 30%
Final: 40%

Problem Sets and Cooperative Learning
Working on problems is one of the best ways to assess your understanding and to help you solidify new concepts. I believe that you may well benefit from working together in small groups on homework assignments. Therefore I encourage cooperative work on assignments in groups of two people. You can submit your completed answers as a group.
Exams: There will be a midterm and a final exam in this course. The midterm exam will be held in class on the October 16th.

COURSE POLICIES:

Class attendance: You are expected to be in class and you are fully responsible for all information disseminated in class including deadlines, reading assignments, and examination dates and times. All students, regardless of either the A-F of S-N grading system, will be expected to do all work assigned in the course. You may not make commercial use of your notes of lectures or University-provided materials without my express written consent.

For complete information on Makeup Work for Legitimate Absences, please see: http://policy.umn.edu/Policies/Education/Education/MAKEUPWORK.html

For more information on Appropriate Student Use of Class Notes and Course Materials: http://policy.umn.edu/Policies/Education/Education/CLASSNOTESTUDENTS.html

Academic Integrity: Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else’s work as your own, can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an "F" or "N" for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

For additional information, please see:
http://www1.umn.edu/regents/policies/academic/Student_Conduct_Code.html
http://policy.umn.edu/Policies/Education/Education/INSTRUCTORRESP.html.
http://www1.umn.edu/oscai/integrity/student/index.html.

Note: In this class, you are encouraged to work together on homework assignments with the other groups but are expected to write up your own answers as a group. In other words, asking questions about how to do a problem and working together to figure out how to do a problem is perfectly acceptable, while simply copying someone else’s answers is not acceptable.

Disability Syllabus Statement: The University of Minnesota is committed to providing equitable access to learning opportunities for all students. Disability Services (DS) is the campus office that collaborates with students who have disabilities to provide and/or arrange reasonable accommodations.

If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact DS at 612-626-1333 to arrange a confidential discussion regarding
equitable access and reasonable accommodations.

If you are registered with DS and have a current letter requesting reasonable accommodations, we encourage you to contact your instructor early in the semester to review how the accommodations will be applied in the course.

**Mental Health Syllabus Statement:** As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating, and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce your ability to participate in daily activities. University of Minnesota services are available to assist you with addressing these and other concerns you may be experiencing. You can learn more about the broad range of confidential mental health services available on campus via www.mentalhealth.umn.edu.

For more information on **Disability Accommodations**, please reference Disability Services: [http://ds.umn.edu/Students/index.html](http://ds.umn.edu/Students/index.html)

For more information on **Mental Health Services**, please see Mental Health Website: [http://www.mentalhealth.umn.edu](http://www.mentalhealth.umn.edu)

**Grading and Transcripts:** For additional information, please refer to: [http://policy.umn.edu/Policies/Education/Education/GRADINGTRANSCRIPTS.html](http://policy.umn.edu/Policies/Education/Education/GRADINGTRANSCRIPTS.html)

**Sexual Harassment:** For additional information, please consult Board of Regents Policy: [http://www1.umn.edu/regents/policies/humanresources/SexHarassment.html](http://www1.umn.edu/regents/policies/humanresources/SexHarassment.html)

**Equity, Diversity, Equal Opportunity, and Affirmative Action:** For more information, please consult Board of Regents Policy: [http://www1.umn.edu/regents/policies/administrative/Equity_Diversity_EQ_AA.html](http://www1.umn.edu/regents/policies/administrative/Equity_Diversity_EQ_AA.html)
# Course Outline

## TENTATIVE COURSE OUTLINE AND SCHEDULE

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<th>Date</th>
<th>Topics</th>
<th>Required Reading</th>
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<tr>
<td>Sep 9</td>
<td>Preferences &amp; Utility</td>
<td>NS Ch-3</td>
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<tr>
<td>Sep 11–16</td>
<td>Utility Maximization &amp; Expenditure Minimization</td>
<td>NS Ch-4</td>
<td>SS Chs 10 &amp; 11</td>
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<td>Sep 18–23</td>
<td>Comparative Statics: Income &amp; Substitution Effects</td>
<td>NS Ch-5</td>
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<td>Sep 25</td>
<td>Demand Relationships</td>
<td>NS Ch-6</td>
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<td>Sep 30</td>
<td>Production Functions</td>
<td>NS Ch-9</td>
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<td>Oct 2–7</td>
<td>Profit Maximization &amp; Comparative Statics &amp; Dual approach</td>
<td>NS Ch-10</td>
<td>SS Chs 4,5,7,8</td>
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<td>Oct 9–14</td>
<td>Cost Minimization &amp; Comparative Statics &amp; Dual approach</td>
<td>NS Ch-11</td>
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<td>Oct 16</td>
<td>Midterm (In class)</td>
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<td>Oct 21–23</td>
<td>Partial Equilibrium</td>
<td>NS Ch-12</td>
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<td>Oct 28–30</td>
<td>General Equilibrium</td>
<td>NS Ch-13</td>
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<td>Nov 4–18</td>
<td>MARKET POWER: Monopoly, Game Theory &amp; Oligopoly</td>
<td>NS Chs 14,8,15</td>
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<td>Nov 20</td>
<td>Labor Markets</td>
<td>NS Ch-16</td>
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<td>Nov 25</td>
<td>Capital Markets</td>
<td>NS Ch-17</td>
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<td>Dec 2</td>
<td>Asymmetric Information</td>
<td>NS Ch-18</td>
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<td>Dec 4</td>
<td>Externalities</td>
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<td>Dec 9</td>
<td>Review</td>
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