

Econ 221
Models and Methods of Economic Analysis
SPRING 2018, SECOND 8 WEEKS

Instructor: Seokil Kang

Time and Location: M, W 4:00 to 6:30 pm, BH333

Contact: sk86@iu.edu or CANVAS message

Office Hours: Tue, Thur 4:00-4:50 pm WY119 and by appointment, WY210

Overview and Objectives

This class is aimed at helping students to bridge the gap between the concepts acquired in a Microeconomics Principles class(E201 or equivalent) and the models of economic decisions and market structures studied in Intermediate Microeconomics(E321), the gateway to the Economics major concentration. The present class will ease the transition toward the requirements of E321 by strengthening student's preparation in mathematical modeling techniques, and by offering a thorough introduction to the arsenal of analytical tools for the models of economic behavior. The two basic models defined and analyzed in the course are the model of consumer choice, and the model of a profit maximization firm. The models and techniques of microeconomics you will learn in this class will also provide you with fundamentals for the Intermediate Macroeconomics class, E322.

The instructor will focus on improving student's familiarity to concepts and math for Economics but not on covering broad materials.

Recommended Texts

- Walter Nicholson and Christopher Snyder, *Intermediate Microeconomics and its Applications*, 12th edition: South-Western/Cengage Learning.
- Additional materials will be provided if needed.

Assessments

1. **Exams:** scheduled as **April 4(Midterm) in class** and **May 4(Final Exam) 12:30PM BH333**. There will be no makeup exams.

2. **Assignments:** Students are expected to have a weekly set of homework assignment. The due dates will be announced during the semester proceeds. Assignments must be submitted to the instructor before the class begins, on the day it is due. Submission on behalf is prohibited. Late submission will be accepted with cut in points with no excuses.
3. **Attendance:** It is understandable that sometimes there are some important events that one just cannot miss. Or even sometimes a rest can be a good way to improve one's academic performance. Thus, there will be no penalty for the first two absences with any reason. Students are welcomed to use these bonuses. But after the second absence, the absentee will get penalty of 1% of total points. Still students can ask the instructor about valid excuses beforehand but they must be followed by official document of proof with zero ambiguity. So it is highly recommended for students to keep at least one of the free absence for any emergent case.

Grading Policy

Assignments	30%
Midterm Exam	30%
Final Exam	40%

Tentative Grading System

Grading policy below is provisional not conclusive one, since grading policy of IU depends on the size of the class. Of course this does not indicate that instructor will grade by discretion.

≥ 95.00	A+	70.00 - 74.99	C+
90.00 - 94.99	A	65.00 - 69.99	C
87.00 - 89.99	A-	60.00 - 64.99	C-
83.00 - 86.99	B+	55.00 - 59.99	D
80.00 - 82.99	B	50.00 - 54.99	D-
75.00 - 79.99	B-	≤ 49.99	F

Administrative Issues and Academic Misconduct

This course follows the policies provided by Indiana University. For class administrative rules visit student center <https://one.iu.edu/task/iu/student-center>. Students are responsible to be well acquainted with the university policies which are outlined in the *Code of Student Rights, Responsibilities, & Conduct*. Policies and regulations of the class that are not

specified explicitly in the syllabus will also subject to *Code of Student Rights, Responsibilities, & Conduct* and if needed, official announcement by the instructor will be made. *Academic misconduct* is defined as any activity that tends to undermine the academic integrity of the institution. The university may discipline a student for academic misconduct. Academic misconduct may involve human, hard-copy, or electronic resources. Details are followed in <http://studentcode.iu.edu/responsibilities/academic-misconduct.html>. The penalty of any academic misconduct is the grade of F at minimum with zero tolerance.

Tentative Course Outline

Review of Introductory Microeconomics(Week 9)

- What is Microeconomics? What does it study?
- Demand and Supply
- Equilibrium: Price and Quantity

Spring Break(Week 10)

Consumer's Problem(Week 11)

- Consumer Preferences and Budget
- Individual and Market(Aggregate) Demand
- Elasticity of Demand
- (Optional) Application of the Optimal Consumer Choice Model to Macroeconomic Modeling

Midterm: April 4th in Class

Theory of the Firm(Week 13)

- Production: Output and Inputs
- Costs of Production and Cost Minimization

Market Structure (Week 15,16)

- **Class will be organized by requests from students.**
- Tentatively, class will cover the market structure(Monopoly, oligopoly and monopolistic competition) and introduction of game theory.

Final Exam: May 4 12:30PM BH333