



## **ECON 217: Intermediate Price Theory**

**Section \*\* – CRN \*\***

**Spring/Fall/Summer YYYY**

**Lecture: Monday and Wednesday, 00:00 am – 00:00 am**

**Room: Nicely Hall 00**

**Recitation Section 1: Monday 00:00 pm – 00:00 pm**

**Room: Nicely Hall 00**

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**Instructor: Dr. Hossein Radmard**

**Office:** 235 Ada Dodge Hall

**Office Hours:** Monday and Wednesday 00:00 am – 00:00 am, **and by appointment**

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### **COURSE DESCRIPTION**

This course is designed to extend students' knowledge of the basic microeconomic principles. The course will provide the foundation for your future work in economics and will give insight into how economic models can help us think about important real world issues.

Students will be introduced to five main topics:

1. Basic concepts of the market, supply-demand and equilibrium.
2. Principles underlying consumer's choices
3. Principles underlying the theory of the firm: Production, costs, and profit maximization
4. Market structures: competitive, monopolistic and oligopoly
5. Basics of market failures: externalities and public good

### **TEXTBOOK**

**Microeconomics, by Robert Pindyck and Daniel Rubinfeld, 7<sup>th</sup> Edition, Pearson**

During the semester there will be frequent references to other books\* and readings. Although the textbook is the core and foundation of topics we will discuss, but this course highly relies on the lectures rather than the book.

*\* two sample books: "Intermediate Microeconomics" by Varian, 8<sup>th</sup> Edition and "Theory and Application of Intermediate Microeconomics" by Nicholson and Snyder, 10<sup>th</sup> Edition)*

## **COURSE REQUIRMENTS**

- The class meets twice (Monday, Wednesday) a week for lectures. For recitations, Section 1 meets on Mondays at 1:00 pm and Section 2 meets on Wednesdays at 1:00 pm.
- The lecture is a mixture of PowerPoint slides and chalk&board methods.
- Recitations are mainly for presenting supplementary materials on the topics, and going over some sample questions. Note these sessions are as important as the actual lecture sessions.
- I do not enforce attendance directly, but regular attendance is essential if a student wants to do well in the course. Also there are unannounced in-class assignments that count significantly toward your final grade. Therefore attendance is important!
- Handouts and class material, such as lecture slides, solutions to in-class assignments, quizzes, exams, etc., can be accessed from the course Moodle page. Please make sure you know how to work with Moodle and check the course page regularly.
- Your final grade will be based on your performance in quizzes, in-class assignments, and exams.
- Any changes will be announced in class and posted on the course website.

## **GRADING POLICY**

Students will be graded on the basis of:

1. Two Midterm Exams: 50% (25% each)
2. One Final Exam: 25%
3. Quizzes: 15%
4. In-class assignment and Participation: 10%

## **MAKE-UP POLICY**

- There will be no make-up for quizzes or in-class assignments!
- There will be no make-up exams unless the student has a valid excuse.
- Any permission to miss an exam must be secured at least one week before the scheduled event unless the cause of the absence is unforeseen. Given a University approved absence, I reserve the option to either give a make-up exam or quiz, or to simply base your grade on the remaining exams and assignments.

## **GENERAL COMMENTS**

- I reserve the right to change this syllabus as time and circumstances dictate. Necessary changes will be announced in class in advance when possible.
- My responsibility as the instructor is to help you to learn the material required for this course. I should be organized, well-prepared, helpful, and courteous. Your responsibilities as a student are to be prepared for class and to take an active role in learning.
- I would appreciate any feedback you can provide to conduct the course more effectively. All constructive and respectful criticism is welcome.

## COURSE OUTLINE

<b>Section</b>	<b>Description</b>		<b>Chapter*</b>
I	Introduction	Economic way of thinking, economic modeling	1
II	Demand, Supply and the Market	Supply, demand, and market equilibrium Elasticities Policy analysis	2
III	Consumer Theory	Consumer preferences Budget constraint Consumer choice Individual and market demand	3, 4
IV	Theory of Production and Costs	Production function and technology Isoquants Returns to scale Economic costs Cost functions Isocosts Cost minimization	6,7
V	Profit Maximization and Competitive Supply	Perfect competition Profit maximization Short-run supply curve Long-run supply curve Consumer and producer surplus Efficiency Policy analysis	8, 9
VI	Non-Competitive market Structures	Monopoly and monopoly power Pricing with market power Monopolistic competition Oligopoly Policy analysis	10, 11, 12
VII	Externalities, Public Goods and	Externalities Common property resources Public goods Policy analysis	18

\* Chapters of Pyndyck & Rubinfeld

**TENTATIVE CLASS SCHEDULE\*:**

<b>WEEKS</b>	<b>SECTIONS</b>	<b>TOPICS</b>
Week 1 --- Week 5 ( )	I, II, III  Quiz 1	1. Introduction 2. Demand, Supply and the Market 3. Consumer Theory
→ <b>MIDTERM 1</b>		
Week 6 --- Week 12 ( )	IV, V  Quiz 2	1. Theory of Production and Costs 2. Profit Maximization (In perfect competition)
→ <b>MIDTERM 2</b>		
Week 13 --- Week 15 ( )	VI, VII  Quiz 3	1. Non-competitive market structures 2. Market failure: Externalities, Public Good
→ <b>FINAL EXAM (Date TBA by Registrar Office)</b>		

*\*The instructor reserves the right to modify—all changes will be announced in class*

**ACADEMIC DISHONESTY:**

- The integrity of the classes offered by any academic institution solidifies the foundation of its mission and cannot be sacrificed to expediency, ignorance, or blatant fraud. Therefore, I will enforce rigorous standards of academic integrity in all aspects and assignments of this course.
- Cheating is not tolerated at American University of Beirut. Anyone caught cheating will be penalized following the procedures described in the Student Code of Conduct. (<http://www.aub.edu.lb/pnp/generaluniversitypolicies/Documents/StudentCodeConduct/StudentCodeConduct.pdf>)