Microeconomics
Economics (ECO) 401
Spring 2026, 4 credits
MWF 2:00pm – 3:10pm in Green Hall 203

Instructor: Alex Marsella
Office: Green Hall 215
Student Hours: MWF 12-2 or by appointment. TR office hours announced sporadically by email.
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Catalog Description
Analysis of decision making within households and firms. Derivation and analysis of the behavior of markets, both for goods and services and for resources. Focus on conditions for economic efficiency and relevant public policy issues. Use of quantitative techniques to improve analytical skills.

REQUIRED Course Textbook
Landsburg, Steven E., *Price Theory and Applications 10th edition*. 10th edition is definitely best and much improved from 9th as far as typos/errors go, but you could do with an older copy. The content is basically the same.

Pre-Requisite: ECO 210 or equivalent, MAT 145 or 201, 3 hours of ECO or FIN at or above the 301 level

Student Learning Outcomes
Upon completion of this course, students should be able to:

1. Explain the concept of elasticity and compute elasticities;
2. Explain the concept of consumer preferences, utility, choice and demand;
3. Use constrained optimization to analyze consumer behavior and derive an individual's demand curve;
4. Use constrained optimization to analyze firm behavior, including profit maximization and cost minimization;
5. Analyze behavior in competitive markets;
6. Analyze behavior of monopolists;
7. Use microeconomic theory to explain and analyze the economic implications of various government policies and real-world issues.
8. Describe different ways of pricing with market power.
9. Overall, have a much better understanding of the scope of economics and the tools of economic analysis as applied to **real world situations**.

General Policies and Expectations

- The college mandates attendance. Poor attendance will adversely affect your comprehension. *Absence or lateness will result in a 50% late penalty on any assignment due that day. If you expect to be absent, please turn in homework early.* Late arrival for class is disruptive to your classmates and me, and results in late submission of work, which is penalized.
- You are expected to have a running knowledge of basic economics, algebra, and first derivatives for this class. We will review these concepts early in the semester.
- Please attend office hours or e-mail me if you have questions regarding material. Office hours are your chance to get questions answered in-depth. **Office hours are for YOU!** If you have

questions regarding economics and current events, economics and politics, or course material and personal observations; office hours are a good time to ask them.
- Cell phone and laptop use is prohibited in class. Note-taking should be done by hand. Phones should be silenced and put away.
- You are expected to read the syllabus, as it will answer most questions you may have about the course.

Grading

Your grade will be based on the following:

Item	Date	Points
10 HW Assignments	Wednesdays, before class	100 (10 pts each)
11 Reading Quizzes	Random	100 pts (10 pts, lowest dropped)
Exam 1	**Friday Feb 6**	50
Exam 2	**Friday March 6**	50
Exam 3	**Friday March 27**	50
Exam 4	**Monday April 20**	50
Final Exam	**Monday 2pm-4pm, May 4**	100 (can replace lowest exam)
Total		500

Grading Scale

Percent	Letter Grade
93-100% (465-500 points)	A
90-92.9% (450-464 points)	A-
87-89.9%(435-449 points)	B+
83-86.9% (415-434 points)	B
80-82.9% (400-414 points)	B-
77-79.9%(385-399 points)	C+
73-76.9% (365-484 points)	C
70-72.9% (350-364 points)	C-
67-69.9%(335-349 points)	D+
60-66.9% (300-334 points)	D
0-59.9% (0-299 points)	F

Note: Based on the grading scale I have chosen there is no rounding up.

EXPLANATION OF GRADED ASSIGNMENTS BELOW

(Mostly) Weekly Problem Sets
Starting week 2, due Wednesdays at 1:59pm. Exam questions often resemble homework questions. Please take the feedback given on them seriously. Homework handed in after 1:59pm on a day it is due but before 1:59pm on the next lecture day will receive half credit. Any later will not be accepted. These are done on paper, I will give them to you.

Reading Quizzes
At random throughout the semester, I will give a short, 5-15 minute quiz at the beginning of class that gauges your reading of the assigned reading for the day. This is a 400-level course, and it requires engagement with the textbook in advance of each class. This is not a flipped classroom, per se, but there will be a general expectation that you have some basic familiarity with what I am going to cover before I cover it. This will allow you to come equipped with better questions and help me better tailor the lectures to topics you are struggling with from each chapter. These random quizzes are part of that incentive structure. The lowest one is dropped, thus giving you a freebie or a free absence.

Exam Policy and Final Exam Replacement of Low Regular Exam Score

- Exams will be administered in-person, during class time on the days designated in the schedule.
- You may not exit the exam without turning your exam in.
- If there are extenuating circumstances that cause you to miss an exam and valid documentation is provided, the final exam will be reweighted to count for both the missed midterm and final exam grades. Except for medical emergencies, notification of an exam absence and presentation of valid documentation must occur a week or more before the exam date. Exams missed without a valid excuse will result in a grade of zero for that exam.
- While the final is worth double a regular exam, as it is cumulative, its nature as a cumulative final allows me to give you a reprieve if you fumble on an exam but relearn the material before the end. If any exam during the semester is lower than your final exam grade, I will replace that exam's grade with your final exam grade. For example, if you get a 30/50 (60%) on Exam 1, but get an 80/100 (80%) on the final, I will replace your 30/50 with a 40/50.

Make-Up Policy
There will not be make-up assignments or exams. You have full notice at the beginning of the course of the day exams occur and when assignments are due. If you are aware of a conflict in your schedule, please bring this to my attention immediately. A week's notice is required. Exceptions can only be made for genuine emergencies and University-sanctioned events. You get one free drop on in-class quizzes.

Late Assignment Policy
You must physically hand in homework to me before class begins on days it is due. Homework is intended to provide quick feedback to you on your comprehension of course material. Homework handed in after 1:59pm on the day it is due but before 1:59pm on the next lecture day will receive half credit. Any later will not be accepted.

Success Tips

- I am happy to help you during my office hours. Office hours are not simply time I'm in my office, *they are times I have set aside for you.*
- Your biggest tool in succeeding in this class will be good notes taken during class. Compare notes with your peers, get notes from a friend if you miss a lecture.
- The homework assignments will be good practice for the exams.

- If you are struggling with a concept, **please come to my office**. If your schedule prevents you from coming to in-person office hours on Monday, Wednesday, or Friday, let me know.

Academic Integrity
All work submitted by students should be generated by the students themselves. It's normal to sit with other students and work on homework together, but students should not have another person/entity do the work of any substantive portion of an assignment for them. This includes artificial intelligence tools like ChatGPT. Allowing artificial intelligence to formulate answers, copying a friend's homework, cheating on exams, etc. will result in a grade of zero for that assignment and a report to the Office of the Provost. A second infraction will lead to an automatic F in the course.

Accommodation Statement

The academic success center provides accessibility resources, including academic accommodations, to students with diagnosed differences and/or disabilities. If you need accommodation for this or other classes, please visit berry.edu/asc for information and resources. You may also reach out at 706-233-4080.

Tentative schedule on the next page

Module 1: Consumer Choice and Behavior

How do individuals make choices given constraints?

Module 2: Firms, Markets, and Efficiency

When do markets allocate resources efficiently?

Module 3: Information, Risk, and Uncertainty

Why can competitive markets fail even without monopolization or externalities?

Module 4: Non-Competitive Markets, Market Power, and Strategic Interaction

What changes when firms have market/monopoly power and behave strategically?

Module 5: Externalities, Public Goods, and Collective Action

Why do individually rational choices sometimes lead to socially inefficient outcomes, even when markets are competitive and information is complete?

Week	Date	Day	Due, b4 class	READ before	Topic
1	1/12	M		Ch. 1	Syllabus, Supply and Demand
	1/14	W		Ch. 2	Prices, Costs, Gains from Trade
	1/16	F		Ch 3.1, 3.2	Tastes, Budget Lines
2	1/19	M	NO CLASS – MLK Day		
	1/21	W	Assignment 1	Ch 3.2, 3.3 (pp. 617–618)	Calc Review, Constrained Optimization
	1/23	F		5-minute clip	Review & Extensions of Ch 3
3	1/26	M			Lagrangian Practice & Interpretation
	1/28	W	Assignment 2	Ch 4.1, 4.2	Changes in Price or Income
	1/30	F		Ch 4.3, 4.4	Income & Substitution Effects
4	2/2	M			Elasticities with Calculus
	2/4	W	Assignment 3		Review/Buffer Day for Module 1
	2/6	F	**Exam 1 (Ch 1–4)**		
5	2/9	M		Ch 5.1, 5.2	Behavior of Firms
	2/11	W		Ch 6.1, 6.2	Production and Costs
	2/13	F			Cost Curves & Profit Maximization
6	2/16	M		Ch 6.3	Short vs. Long Run
	2/18	W	Assignment 4	Ch 7.1, 7.2	Competitive Firm and Industry (Short Run)
	2/20	F			Shutdown, Profit, Supply
7	2/23	M		Ch 7.3, 7.4	Competitive Firm and Industry (Long Run)
	2/25	W	Assignment 5	Ch 7.5–7.7	Extensions of Competitive Model
	2/27	F		Ch 8.1, 8.2	Welfare Economics & Efficiency
8	3/2	M		Ch 8.3	Applications of Welfare Analysis
	3/4	W	Assignment 6		Review/Buffer Day for Module 2
	3/6	F	**Exam 2 (Ch 5-8)**		
9	3/9	M	NO CLASS – SPRING BREAK		
	3/11	W	NO CLASS – SPRING BREAK		
	3/13	F	NO CLASS – SPRING BREAK		
10	3/16	M		Ch 9.1, 9.2, 9.3	Asymmetric Info & Financial Markets
	3/18	W	Assignment 7		Adverse Selection & Moral Hazard Models
	3/20	F		Ch 18.1 and 18.2	The Market for Insurance
11	3/23	M			Analysis of Decision-Making under Uncertainty
	3/25	W	Assignment 8		Review/Buffer Day for Module 3
	3/27	F	**Exam 3 (Ch 9 & 18)**		
12	3/30	M		Ch 10.1, 10.2	Monopolies
	4/1	W		Ch 10.3	Price Discrimination
	4/3	F	NO CLASS – Good Friday		
13	4/6	M		Ch 11.1, 11.2	Mergers, Market Power, Collusion
	4/8	W	Assignment 9	Ch 11.3, 11.4	Regulation and Oligopoly
	4/10	F			Cournot Model of Competition
14	4/13	M			Bertrand & Stackelberg Models
	4/15	W	Assignment 10	Ch 11.5	Monopolistic Competition and Product Differentiation
	4/17	F			Review/Buffer Day for Module 4
15	4/20	M	**Exam 4 (Ch 10 & 11)**		
	4/22	W		Ch 13.1-13.2	The Problem of Pollution, Coase Theorem
	4/24	F		Ch 13.3 and 14.1	Transaction Costs, Common Resources
16	4/27	M		Ch 14.2	Public Goods and Extensions
17	5/4	M	**Cumulative Final Exam 2:00 pm – 4:00pm**		