

Course Code and Title	
MLI31C020 Intermediate Microeconomics	6 cr
Learning Outcomes and Content	
<p>Learning outcomes for this course, upon successful completion, include the ability to: 1) apply standard microeconomic tools to explain and predict the behavior of individual consumers and firms, 2) apply microeconomic theory to explain market structures and the behavior of firms within specific industries, and 3) compare how markets are organized under perfect competition versus a monopoly, duopoly or oligopoly and the outcomes of decisions made in these markets.</p> <p>Content: This course builds on the basic knowledge gained in an introductory economics course and develops further microeconomic topics and theories using standard microeconomic models. The topics covered include: consumer theory, utility and indifference curve analysis; the theory of the firm and cost analysis; market structures, including models of monopoly, duopoly and oligopoly; and pricing strategies. The course will also introduce students to public economics and the concept of externalities. The efficient allocation of resources is emphasized throughout the course.</p>	

Instructor Name and Profile
<p>Michele Crescenzi is a postdoctoral researcher in economics at the University of Helsinki. He graduated with a PhD in economics from the same university in 2019. His research field is game theory, which is the study of interactive decision making. His work has been published in the <i>Journal of Mathematical Economics</i> and in peer-reviewed conference proceedings. In addition to research, Michele has taught courses on microeconomics, information economics, game theory, and mathematics for economists.</p>

Email Address
michele.crescenzi@helsinki.fi

Office Hours
Monday through Friday, from 13:30 to 14:30 and by appointment

Required Reading
"Microeconomics" by R. Pindyck and D. Rubinfeld, 9 th Global Edition, Pearson

Course Schedule
<p>Deduction due to an absence on the first day of the course: 5 points (on a 100-point scale) will be deducted from the student's final raw score before converting it to the final grade. If a student is absent on the first day due to illness, and provides the Manager of Academic Operations with a medical certificate, the 5-point deduction will be waived. The Manager of Academic Operations will then inform the instructor of the waived deduction.</p>

Session # and Date	Topic/s	Assignment/s
Session 1: M, 19 February	Course Overview Consumer Behavior <ul style="list-style-type: none"> • Preferences and indifference curves • Budget constraints • Consumer choice 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 2, 3 • Lecture slides
Session 2: Tu, 20 February	Consumer Behavior <ul style="list-style-type: none"> • Demand curves • Elasticities • Income and substitution effects 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 2, 3, 4 • Lecture slides
Session 3: W, 21 February	Consumer Behavior <ul style="list-style-type: none"> • Market demand • Consumer surplus • Network externalities Production and Cost <ul style="list-style-type: none"> • Production • Isoquants 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 4, 6 • Lecture slides
Session 4: Th, 22 February	Production and Cost <ul style="list-style-type: none"> • Production decisions • Cost minimization and cost curves 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 6, 7 • Lecture slides
Session 5: F, 23 February	Production and Cost <ul style="list-style-type: none"> • Profit maximization • Competitive firm's supply curve • Industry's supply curve • Producer surplus 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 8 • Lecture slides <p>Problem Set 1 due Sunday February 25 (upload to MyCourses by 18:00)</p>
Session 6: M, 26 February	Competitive markets <ul style="list-style-type: none"> • Efficiency • Welfare effects of policy interventions 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 9 • Lecture slides
Session 7: Tu, 27 February	MIDTERM EXAM (in class: 2 hours)	
Session 8: W, 28 February	Market power <ul style="list-style-type: none"> • Monopoly • Monopsony 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 10 • Lecture slides
Session 9: Th, 29 February	Market power <ul style="list-style-type: none"> • Pricing with market power • Price discrimination • Two-part tariff • Bundling 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 11 • Lecture slides

Session 10: F, 1 March	Market power <ul style="list-style-type: none"> • Oligopoly • Cournot model • Stackelberg model 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 12 • Lecture slides
Session 11: M, 4 March	Market power <ul style="list-style-type: none"> • Bertrand model of price competition • Cartels and collusion • Monopolistic competition • Product differentiation 	Problem Set 2 due Monday 4 March (upload to MyCourses by 23:59) <ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 12 • Lecture slides
Session 12: Tu, 5 March	Asymmetric information <ul style="list-style-type: none"> • Adverse selection • Signaling • Moral hazard 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapter 17 • Lecture slides
Session 13: W, 6 March	Asymmetric information <ul style="list-style-type: none"> • Principal-agent problem Market failures <ul style="list-style-type: none"> • Externalities 	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 17, 18 • Lecture slides
Session 14: Th, 7 March	Market failures <ul style="list-style-type: none"> • Common property resources • Public goods Auctions (only if time allows)	<ul style="list-style-type: none"> • Pindyck and Rubinfeld, Chapters 18, 13 • Lecture slides
Session 15: F, 8 March	FINAL EXAM (in class: 2 hours)	Problem Set 3 due Sunday March 10 (upload to MyCourses by 23:59)

Grading	
Course Requirements	Weighting (%) or maximum points
Midterm Exam	30
Final Exam	40
Problem Set 1	10
Problem Set 2	10
Problem Set 3	10
Total	100
Conversion scale	Final grade (official scale)
90 - 100	5
80 - 89	4
70 - 79	3
60 - 69	2
50 - 59	1
0 - 49	0

ECTS STUDENT WORKLOAD	
This course is a 6 ECTS unit course, following the ECTS (European Credit Transfer System) guidelines of Aalto University School of Business. The number of hours the average student is expected to work in the course is 160 (including in-class and out-of-class work).	
Types of Hours	Number of Hours
Contact hours (on- and off-campus):	45
Out-of-class hours:	115 (Sum of fields below)
Work with course materials, eg required reading	75
Exam preparation	25
Individual research & writing	0
Team projects (meetings, research, preparation, etc.)	0
Other (Problem sets work)	15
Total of all student workload (contact and out-of-class) hours:	160

ACADEMIC POLICY STATEMENTS

CODES OF CONDUCT
<p>Academic excellence and high achievement levels are only possible in an environment where the highest standards of academic honesty and integrity are maintained. Students are expected to abide by the Aalto University Code of Academic Integrity, other relevant codes and regulations, as well as the canons of ethical conduct within the disciplines of business and management education.</p> <p>In addition, the BScBA Program has strict exam regulations in force which must be followed in all test-taking situations.</p>

TEXTBOOK POLICY
<p>All required textbooks and other course materials are the responsibility of the student. It is the expectation of faculty that all students will have access to the textbooks and other reading material. If a student is not able to purchase his/her own copy of the textbook or other required reading materials, it is nonetheless the student's responsibility to find a way to complete the reading for the course.</p>

CLASS ATTENDANCE AND PARTICIPATION
<p>Class attendance and participation are considered integral parts of teaching and learning at the BScBA program in Mikkeli. Therefore, regular class attendance is required of all students and attendance records are kept for each class. Students are also expected to be in class on time.</p> <p>If the student participates in the final exam/assessment, it will be graded and counted towards the final grade.</p> <p>The attendance policy of the BScBA program provides that:</p>

- 1) **A maximum of three absences of any kind** is allowed for a 3-week, 6-credit course. Four or more absences will result in being dropped from the course.
- 2) Whenever taking an absence, **the student bears the risk of missing class**, and the consequences, which may include a lower participation grade, missing a graded activity, etc. It is up to the course instructor to decide whether or not a graded activity can be completed later.
- 3) **An absence on the first day of the course** will result in 5 points (on a 100-point scale) being deducted from the student's final raw score before converting it to the final grade. If a student is absent on the first day due to illness, and provides the Manager of Academic Operations with a medical certificate, the 5-point deduction will be waived. The Manager of Academic Operations will then inform the instructor of the waived deduction.
- 4) **A student getting to class after the session has started** will not be able to enter the classroom until the first break and will get an absence for the day.
- 5) It is expected that **students marked present for the day are in class the entire time**. Students leaving class early may be marked absent.
- 6) **The instructor may include class participation as a component of the grade**; up to 15% of the total points that can be earned toward the final grade.
- 7) **The instructor may identify up to three days of the course (in addition to the first day) as mandatory**, ie taking an absence on those days would have a direct impact on the course grade.

The instructor for the course will take attendance in classes. The decision to drop a student from a course will be made by the instructor, who will inform Mari Syväoja, Manager of Academic Operations: mari.syvaoja@aalto.fi.

Addition to the attendance policy of the BScBA Program, Mikkeli Campus:

- This addition concerns absences in addition to the normal maximum of three that would fall under a category called **Medical and Family Emergency cases**.
- Students who want to use this option to complete a course must fulfil these criteria:
 - The total absences of the student will exceed the normally allowed three absences due to a major medical problem or family emergency.
 - The student will be absent no more than 5 days; exceeding that number of days will result in dropping the course.
 - Documentation or a detailed explanation concerning the entire period of the emergency (such as a medical certificate) is provided to the Manager of Academic Operations.
- The case-by-case solution will be coordinated by the Manager of Academic Operations, who will deal with the documentation and discuss with the instructor to find a pedagogical solution enabling the student to continue in the course. In case the MAO is on leave, the student should contact the other study office staff.
- The solution must not cause a significant increase in the instructor's workload. The grading elements for the course may be reviewed, and additional assignments may be arranged if feasible. However, a shifting of grading proportions may occur. The course grade might be affected due to the student missing some in-class activities.

Additional Information

I will provide lecture slides for each session.

I will also provide (ungraded) review questions and problems.

Students may work in groups to prepare for exams but each exam is an individual effort.