AEB 4931: Advanced Agricultural Microeconomics
Spring 2015

Instructor Information:
      Kelly Grogan
      1183 McCarty Hall A
      (352) 294-7633
      Office Hours: Mondays 2:00-3:00, Wednesdays 10:00-11:00 in 1183 MCCA

Course Logistics:
      Tuesdays 8:30AM – 10:25AM
      Thursdays 8:30AM – 9:20AM
      Final Exam: May 1, 7:30 – 9:30AM
      Classroom: McCarty A 2186

Course Description:
This course introduces students to a variety of topics in microeconomic theory including consumer and producer theory, uncertainty, game theory, asymmetric information, externalities, and public goods. We will use both mathematical and graphical methods to illustrate concepts, and we will use games, activities, and experiments in class to further develop concepts.

Course Objectives:
By the end of this course, each student should be able to do the following:
1) Discuss and calculate the marginal rate of substitution for an individual consumer.
2) Aggregate individual consumer demand curves to obtain market demand.
3) Calculate cost minimizing quantities of inputs and profit maximizing quantities of output.
4) Discuss short run vs. long run supply.
5) Draw an Edgeworth box.
6) Find Nash Equilibria.

Required Knowledge:
Students are expected to know how to graph basic equations and take derivatives. If this knowledge has gotten rusty, it is the student's responsibility to re-learn these skills.

Recommended Textbooks:
This course makes use of material from two textbooks. The first provides a better discussion of the intuition behind course material. The second provides more in-depth mathematical analysis. I recommend purchasing the second book if you plan on going to graduate school. Both books are available on reserve at Library West. All editions contain the same core material, but differ in the application topics.

1. Nicholson, W. and C. Snyder. *Intermediate Microeconomics and Its Applications*. Any edition. Cengage Learning.

2. Nicholson, W. *Microeconomic Theory: Basic Principles and Extensions*. Any edition. South-western, Thomson or Cengage Learning

The University's current grading policy uses the following letter grade to grade points conversion:

A = 4.0, A- = 3.67, B+ = 3.33, B = 3.0, B- = 2.67, C+ = 2.33, C = 2.0, C- = 1.67, D+ = 1.33, D = 1.0, D- = 0.67, E = 0.

Course Grade and Assignments:

Your grade will be determined by
- problem sets (20% in total, 5% each)
- writing assignment (10%)
- Three in-class application exercises (15% in total, 5% each)
- Three 50-minute exams worth 15% each
- Effort (10%)

Letter grades will be assigned as follows:

A = 93 and higher	C = 73 – 76
A- = 90 – 92	C- = 70 – 72
B+ = 87 – 89	D+ = 67 – 69
B = 83 – 86	D = 63 – 66
B- = 80 – 82	D- = 60 – 62
C+ = 77 – 79	E = less than 60

Problem Sets:

There will be a total of 5 problem sets. Your lowest score will be dropped. The remaining four problem set grades will each count for 5% of your grade, making problem sets 20% of your grade in total. Students are encouraged to discuss problems with others but you are expected to write up your own assignments. Please write on your assignment the names of students with whom you discussed the assignment. Writing up assignments individually implies that assignments or any portion of the assignments will not be identical. Late problem sets will not be accepted. Make-up work for missed problem sets will not be given.

Writing Assignment:

The best way to learn economic theory is to apply it. For your writing assignment, you will pick one interesting economic question and use the material we will learn this semester to answer that question. Assignments should be 3 – 5 pages in length, double-spaced with 12-point font and 1-inch margins. Assignments are due at the start of the last day of class, but students are strongly encouraged to be thinking about questions throughout the semester. Assignments will be graded based on the quality of the question (Is it interesting? Will people care about this question?), and on the quality of economic thought used to answer the question. Please see the attached *New York Times* article for assignment inspiration.

In-Class Application Assignments:

In lieu of a review session before each exam, we will have in-class application exercises designed to review material while you learn how to apply course material to real-world applications. You will be put in groups of 3-4 students and will be graded on individual effort as well as the group's answers. For the first assignment, I will provide application topics. For the

second and third, you will provide application topics that will be assigned to other groups. After class, you will be asked to upload your group's answers to e-learning so that all students can see how your group answered the questions. If a serious, unforeseen, and documentable situation arises that prevents a student from participating in any of these assignments, the average of the other 2 application grades will be entered for the missed application grade.

Exams:
There will be three 50-minute exams covering portions of the course material. The third 50-minute exam will occur during the scheduled final exam period. There will be no make-up exams. If a serious, unforeseen, and documentable situation arises that prevents a student from taking any of the 3 exams, the average of the other 2 exams will be entered for the missed exam.

Effort:
This portion of the grade used to be titled "participation." After researching about the effects of rewarding the learning process instead of rewarding learning outcomes, I have changed this to "effort." Please see the attached article for more information on this line of research. You will be rewarded for demonstrating effort in this class. Effort includes, but is not limited to, the following:

- Attendance: Attending class and actively participating in activities, asking questions, and providing comments and insight regarding course material are the basis of the learning process.
- Arriving on time: I realize the class is early, but late arrivals impede your learning process as well as the learning process of your classmates. Tardiness will result in lowered effort scores, with the penalty increasing with each day of tardiness.
- Engagement: Use of cell phones, laptops for non-noting takes purposes, etc. during class interferes with your learning process and will result in lowered effort scores.
- Time and energy spent on assignments and exams: Assignments and exams are meant to be learning experiences. There is little learning benefit from rushing through them at the last minute. Rushed, sloppy, and/or "bare bones" answers demonstrate a lack of effort.
- Utilizing office hours for additional help or clarification: Most students will face at least some material that they do not immediately understand. Following up with questions during office hours is a great way to gain a better understanding.

Every day you will receive an effort score. If there is an assignment due on that day, the effort demonstrated on that assignment will contribute to that day's effort score. The lowest three effort scores will be dropped and the remaining scores will be averaged. Effort makes up 10% of the grade, so the average points on the 10-point scale will be the number of points contributing to your overall grade.

Academic Honesty:
Any student found to be in violation of the Student Honor Code will receive, as a minimum penalty, a grade of "0" on the assignment or exam. Students may also be asked to attend seminars on ethical decision making and/or avoiding plagiarism.

Attendance:
Attendance counts towards your effort grade, so students are strongly encouraged to attend class. If circumstances cause an extended absence from class, please come talk to me in advance.

Course Outline:

I. Introduction

      1. Math Review (Chapter 1 Appendix)

II. Consumer Theory

      2. Utility and Choice (Chapter 2)
      3. Demand Curves (Chapter 3)

III. Producer Theory

      4. Production (Chapter 6)
      5. Costs (Chapter 7)
      6. Profit Maximization and Supply (Chapter 8)
      7. Perfect Competition (Chapter 9)

IV. General Equilibrium

      8. General Equilibrium (Chapter 10, pp. 361 – 364)

V. Special Topics (We will likely not cover all of these in their entirety.)

    9. Monopoly (Chapter 11)
    10. Uncertainty (Chapter 4, all but pp. 159-162)
    11. Game Theory (Chapter 5)
    12. Imperfect Competition (Chapter 12 through p. 421)
    13. Asymmetric Information (Chapter 15)
    14. Externalities and Public Goods (Chapter 16)

University Policies
Academic Honesty:
The University of Florida requires all members of its community to be honest in all endeavors. Cheating, plagiarism, and other acts diminish the process of learning. When students enroll at UF they commit themselves to honesty and integrity. Your instructor fully expects you to adhere to the academic honesty guidelines you signed when you were admitted to UF. As a result of completing the registration form at the University of Florida, every student has signed the following statement: *"I understand the University of Florida expects it students to be honest in all their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action up to and including expulsion from the University."* Furthermore, on work submitted for credit by UF students, the following pledge is either required or implied: *"On my honor, I have neither given nor received unauthorized aid in doing this assignment."* It is to be assumed all work will be completed independently unless the assignment is defined as group project, in writing by the professor. This policy will be vigorously upheld at all times in this course.

Software Use:
All faculty, staff, and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

Campus Helping Resources
Students experiencing crisis or personal problems that interfere with their general wellbeing are encouraged to utilize the university's counseling resources. Both the Counseling Center and Student Mental Health provide confidential counseling services at no cost for currently enrolled students. Resources are available on campus for students having personal or lacking clear career and academic goals, which interfere with their academic performance. The Counseling Center is located at 301 Peabody Hall (next to Criser Hall). Student Mental Health is located on the second floor of the Student Health Services in the Infirmary.

1. *University Counseling Center*, 301 Peabody Hall, 392-1575; personal and career counseling: www.counsel.ufl.edu
2. *Student Mental Health*, Student Health Care Center, 392-1171, personal counseling: www.hsc.ufl.edu/shcc/smhs.htm
3. *Sexual Assault Recovery Services (SARS)*, Student Health Care Center, 392-1161, sexual assault counseling
4. *Career Resource Center*, Reitz Union, 392-1601, career development assistance and counseling.

Students with Disabilities Act
The Dean of Students Office coordinates the needed accommodations of students with disabilities. This includes the registration of disabilities, academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services, and mediating faulty-student disability related issues. Dean of Students Office, 202 Peabody Hall, 392-7066, www.dso.ufl.edu.

Tentative Schedule of Assignments and Exams

	Week	Mon	Tues	Wed	Thurs	Fri
Jan.	1	5	6	7	8	9
	2	12	13 PS 1 Given	14	15	16
	3	19 MLK Jr. Day	20 PS 1 Due	21	22	23
	4	26	27 PS 2 Given	28	29	30
Feb.	5	2	3 PS 2 Due	4	5 In-Class Application 1	6
	6	9	10 Exam 1	11	12	13
	7	16	17 PS 3 Given	18	19	20
	8	23	24 PS 3 Due	25	26	27
Mar.	9- break	2	3	4	5	6
	10	9	10 PS 4 Given	11	12	13
	11	16	17 PS 4 Due	18	19 In-Class Application 2	20
	12	23	24 Exam 2	25	26	27
Apr.	13	30	31	1	2	3
	14	6	7	8	9 PS 5 Given	10
	15	13	14	15	16 PS 5 Due	17
	16	20	21 Writing Assignment Due In-Class Application 3	22	23	24
May	17	27	28	29	30	1 Exam 3

* Dates are subject to change as needed; Exam 3 is scheduled for 7:30AM – 9:30AM