AEB 7373 Consumer Demand and Applied Analysis

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Office hours – Wednesday, 11am-12pm, and by appointment

Course Description
This course consists of lectures, student discussions, and problem sets designed to give students an advanced background in the essential elements of consumer demand and applied analysis. The course will cover materials in the theory and application of consumer behavior, cross-country demand analysis, time-series analysis of consumer demand, and household expenditure and consumer behavior.

Prerequisites
Permission of the instructor, calculus, microeconomics, and econometrics.

Course Objectives/Goals
Students will master the theoretical foundations of consumer demand and behavior and the ability to formulate and implement empirical applications of consumer-demand modeling based on solid theoretical foundations. The course’s goal is to enable students to read and comprehend current economic literature in the area of consumer demand and applied analysis, to give students the necessary foundation to continue self-study, and the knowledge and skills enabling them to conduct research in this area of study.

Methods by which students will be evaluated and grading system

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<tr>
<th>Component</th>
<th>Weight</th>
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<tr>
<td>Problem sets</td>
<td>50%</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>Final exam</td>
<td>40%</td>
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(100%)

Grade Scale

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<td>94-100%</td>
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<td>A-</td>
<td>93-90%</td>
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<td>B+</td>
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<td>B</td>
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<td>B-</td>
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<td>C+</td>
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<td>C</td>
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<td>C-</td>
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Attendance Policy
Students are expected to prepare for class meetings by completing assigned readings and problem sets. Students are encouraged to attend all classes. Frequent absences will reflect negatively on class participation evaluation.

Make-up policy
Students are required to complete all problem sets. Homework may be turned in late only with the approval of the instructor. A final exam must be taken in order to receive the final grade.

Course Outline, Textbooks, and Reading

Required:


Recommended:


Course Outline and Reading Guide
I have provided chapter references for the basic course textbooks as well as several others in the following outline. You should be able to use these chapter references to select alternative chapters from any other texts you may choose to pursue. If in doubt, see me.

1. Alternative Approaches to Consumption Theory
   *Theil and Clements., Chapter 1.
   *Theil, Chung and Seale, Appendix B.
   *Deaton and Muellbauer, “Preferences and Demand.” Chapter two, 1980.

2. **The Econometrics of Demand Systems**
   *Theil and Clements., Chapter 2, p. 68-100, Chapter 3.*

3. **Deaton and Muellbauer Model**
   *Deaton and Muellbauer, ‘The Theory at Work.” Chapter three, 1980.*

4. **CBS Model**

5. **Choice of Functional Form**

6. **Income and Three Types of Price Elasticities**
   *Theil and Clements, Chapter 2, p. 55-68.*
   *Theil, Chung and Seale, Chapters 5.*

7. **The Demand for Groups of Goods and Conditional Demand**
   *Theil and Clements, Chapter 4, 5.*
   *Theil, Chung and Seale, Chapters 6.*
8. Inverse Demand Systems

9. Evidence from International Consumption Comparisons

10. Pooling Cross-Country Consumption Data and Group Heteroskedasticity
*Theil and Clements, Epilogue.
*Theil, Chung and Seale, Chapters 3, 4.

11. Cross-Price Elasticities in Cross-Country Demand
*Theil, Chung and Seale, Chapters 5.

12. Uniform Substitutes
UF Policies & Resources

UF Grading Policy
Information on UF grading policies for assigning grade points may be found at: http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html.

Honor Code
In 1995 the UF student body enacted a new honor code and voluntarily committed itself to the highest standards of honesty and integrity. When students enroll at the university, they commit themselves to the standard drafted and enacted by students. In adopting this honor code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the university community. Students who enroll at the university commit to holding themselves and their peers to the high standard of honor required by the honor code. Any individual who becomes aware of a violation of the honor code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon community acceptance and enforcement of the honor code. The Honor Code: We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

The university requires all members of its community to be honest in all endeavors. A fundamental principle is that the whole process of learning and pursuit of knowledge is diminished by cheating, plagiarism and other acts of academic dishonesty. In addition, every dishonest act in the academic environment affects other students adversely, from the skewing of the grading curve to giving unfair advantage for honors or for professional or graduate school admission. Therefore, the university will take severe action against dishonest students. Similarly, measures will be taken against faculty, staff and administrators who practice dishonest or demeaning behavior. Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court. (Source: 2007-2008 Undergraduate Catalog) It is assumed all work will be completed independently unless the assignment is defined as a group project, in writing by the instructor. 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 crises or personal problems that interfere with their general well-being are encouraged to utilize the university’s counseling resources. Both the Counseling Center and Student Mental Health Services provide confidential counseling services at no cost for currently enrolled students. Resources are available on campus for students having personal problems or lacking clear career or academic goals, which interfere with their academic performance. The Counseling Center is located at 301 Peabody Hall (next to Criser Hall). Student Mental Health Services is located on the second floor of the Student Health Care Center in the Infirmary.

University Counseling Center, 301 Peabody Hall, 392-1575, www.counsel.ufl.edu
Career Resource Center, CR-100 JWRU, 392-1602, www.crc.ufl.edu/
Student Mental Health Services, Rm. 245 Student Health Care Center, 392-1171, www.shcc.ufl.edu/smhs/
   Alcohol and Substance Abuse Program (ASAP)
   Center for Sexual Assault / Abuse Recovery & Education (CARE)
   Eating Disorders Program
   Employee Assistance Program
   Suicide Prevention Program

Students with Disabilities
The Disability Resource Center coordinates the needed accommodations of students with disabilities. This includes registering disabilities, recommending academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services and mediating faculty-student disability related issues. Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office
will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation.