

**Applied Economic Analysis**  
**AREC 300**  
**Fall 2008**

**Instructor:** Steven Buccola  
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**Learning Outcomes:**

As a result of this course, the student will be able to:

- Understand and apply elements of microeconomic theory to agricultural and other industry settings
- Analyze conceptual problems
- Decompose problems into their economic parts
- Express these analyses concisely and literately

**Class Hours:** MWF 10:00 – 10:50

**Office Hours:** MWF 3:00 – 4:00

**Class Location:** Gilkey 113

**Prerequisites:** Enforced: 201 or Econ 201H or AREC 250. Enforced: Math 241

**Grading:** Weekly quizzes (20%)  
Problem set every other week (20%)  
One midterm examination (20%)  
One final examination (40%)

**Course Credits:** Three

**Required Text:** Pindyck, R.S., and D. L. Rubinfeld. *Microeconomics, 7<sup>th</sup> Edition*. Prentice Hall, 2009.

**Expectations of Student Conduct:**

By registering for this class, every student agrees to conform entirely with University expectations of student ethics and conduct. Please see the following link for details.

<http://oregonstate.edu/admin/stucon/achon.htm>

**Students with Disabilities:**

Accommodations are collaborative efforts between students, faculty and Disability Access Services (DAS). Students with accommodations approved through DAS are responsible for contacting the faculty member in charge of the course prior to or during the first week of the term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval through DAS should contact DAS immediately at 737-4098.

## Topic Outline

### *Week One*

Supply and demand

### *Week Two*

Elasticities  
Characterizing consumer preferences

### *Week Three*

How rational consumers make choices  
Individual demand for a good or service  
Market demand for a good or service

### *Week Four*

Consumer surplus  
Business risk and risk preferences

### *Week Five*

Reducing risk  
Characterizing a firm's technology

### *Week Six*

Types of firm cost  
Short-run vs. long-run cost

### *Week Seven*

Minimizing cost  
Maximizing profit

### *Week Eight*

Firm-level and market supply  
Long-run competitive equilibrium

### *Week Nine*

Producer and consumer surplus  
Price ceilings

### *Week Ten*

Price floors  
Quotas and tariffs

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**Lecture Schedule**

*Week One*

09/29 Preliminaries (1, all)

10/01 Supply and Demand (2, 21 – 33)

PS #1 handed out

10/03 *Market Laboratory*

*Week Two*

10/06 Supply and Demand Elasticities (2, 34 – 48)

10/08 Consumer Preferences (*begin*) (3, 69 - 82)

PS #1 due back

10/10 Consumer Preferences (*finish*) (3, 69 - 82)

Quiz

*Week Three*

10/13 Budgets and Consumer Choice (3, 83 - 92)

10/15 Individual Demand (4, 111 - 119)

PS #2 handed out

10/17 Market Demand (4, 125 - 131)

Quiz

*Week Four*

10/20 Consumer Surplus (4, 132 - 135)

10/22 Risk; Risk Preferences (*begin*) (5, 159 – 170)

PS #2 due back

10/24 Risk; Risk Preferences (*finish*) (5, 159 – 170)

Quiz

*Week Five*

10/27 Reducing Risk (5, 170 - 176)

10/29 Technology (One Input) (6, 195 - 207)

PS #3 handed out

10/31 Technology (Two Inputs) (6, 207 - 218)

Quiz

*Week Six*

11/03 **Midterm Exam** (covers up to p. 176)

11/05 Types of Cost (7, 221 - 226)

PS #3 due back

11/07 Short- and Long-Run Cost (7, 228 – mid 236)

Quiz

*Week Seven*

11/10 Cost Minimization (7, mid 236 – 243)

11/12 Economies of Scope (7, 248 - 251)

PS #4 handed out

11/14 Profit Maximization (8, 271 – 279)

*No Quiz*

*Week Eight*

11/17 Short-Run Profit-Maximizing Output (8, 279 - 284)

11/19 Short-Run Market Supply Curve (8, 287 - 293)

PS #4 due back

11/21 Long-Run Competitive Equilibrium (8, 294 - 298)

Quiz

*Week Nine*

11/24 Producer and Consumer Surplus (9, 309 - 315)

11/26 Price Ceilings (9, 315 – 319)

PS #5 handed out

11/28 **Thanksgiving Holiday**

*Week Ten*

12/01 Price Floors (9, 319 – 323)

12/03 Import Quotas and Tariffs (9, 331 - 335)

PS #5 due back

12/05 *Course Review*

**Final Exam**

*Monday, December 8*

*12:00 noon*

*Gilkey 113*