

**AAEC 3004  
CRN 10062**

**Spring 2007**

**Virginia Tech  
Department of Agricultural and Applied Economics  
Agricultural and Production and Consumer Economics**

**Instructor:**

Elton Mykerezi  
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Office Hours: 11:30A.M. -01:30 P.M. on Tuesday and Thursday, or by appointment.

**Class Meetings:**

2:00-3:15 p.m., Tuesday and Thursday, Hutcheson 310

**Objectives of the Course:**

The primary objective of this course is to provide students with a solid understanding of the basic concepts of economic agent decision making and the analytical methods of microeconomics. Students should not only understand the basic intuition of the analytic methods discussed but they should be able to apply them to any economic problem encountered.

Class lectures will focus on the conceptual foundations of microeconomics while quizzes and exams will provide students with the experience needed to fully understand the power of the techniques in terms of solving economic problems.

**Prerequisites:**

Introductory microeconomics (i.e. AAEC 1005, or the equivalent) and one course in differential calculus.

**Textbook:**

Mathis, Stephen A. and Janet Koscianski. Microeconomic Theory: An Integrated Approach. Prentice Hall, 2002

Purchase of the textbook is not mandatory but it is highly recommended. I will provide lecture notes based on the text book during the course of the class.

**Attendance and Class Participation:**

While attendance cannot be made mandatory, it is highly recommended. You will find that attending class will greatly reduce the time and effort you have to spend reading the text and studying for quizzes and tests.

I prefer an interactive class, and not only welcome but encourage questions, comments and relevant discussion. Your participation will be rewarded with 5% of the final course grade.

**Quizzes:**

5-10 minute long quizzes will be given weekly. They are given to encourage you to look over your class notes on a consistent basis and to make sure that you have understood the main points of the previous few lecture periods. The results will be instructive to both of us! In general quizzes will contain a combination of multiple choice and short answer questions. I may replace one or more of the weekly in-class quizzes with a take-home assignment.

**Examinations and Grading:**

In addition to the weekly quizzes, course grades will be based on your performance on two exams and class participation.

**Percent of final grade**

Mid-term	25
Final Exam (cumulative)	25
Quizzes*	45
Class participation	5

\* You will be allowed to drop 2 quizzes. Excused absences from any class/quiz must be approved at least one day before class. If last minute emergencies arise, you will need to provide relevant documentation (i.e., verification from the Student Health Center, etc.).

**Honor System:**

The Honor Code of the University will be strictly enforced.

**Course Outline:**

**I. Math Review**

**Class Dates**

Review of Basic Calculus Techniques	Ch. 1	Jan 16, Jan 18
Optimization of Multivariate Functions	Ch. 2	Jan 23, Jan 25

**II. Consumer Theory**

Utility Theory	Ch. 3	Jan 30, Feb 1
Consumer Optimization	Ch. 4	Feb 6, Feb 8
Individual Demand Functions and Related Topics	Ch. 5	Feb 13, Feb 15
Market Demand Curves	Ch. 6	Feb 20, Feb 22
Demand-Related Elasticities	Ch. 7	Feb 27, Mar 1
Spring Break		Mar 6, Mar 8
Review of Consumer Theory		Mar 13
Exam 1		Mar 15

### **III. Firm Theory**

Production in the Short Run	Ch. 8	Mar 20, Mar 22
Production in the Long Run	Ch. 9	Mar 27, Mar 29
Long Run Optimization for the Firm	Ch. 10	Apr 3, Apr 5
Cost of Production in the Long Run	Ch. 11	Apr 10, Apr 12
Cost of Production in the Short Run	Ch. 12	Apr 17, Apr 19
Market Structure		Apr 24, Apr 26
Review of Firm Theory		May 1
Final Exam (cumulative)		May 7, 04:25 PM

Adjustments to this schedule may occur during the course of the semester if necessary.