

PRODUCTION ECONOMICS: THEORY WITH APPLICATIONS

Course Syllabus

A. Introduction

This course will consist of a mathematical, graphical and verbal examination of production economics through market equilibrium. It assumes you have had an intermediate microeconomics course at the undergraduate level (AAE 3580 or equivalent) and calculus (MATH 2110 or higher). In other words, a familiarity with the graphics and verbiage of economic theory is expected, as well as the basic tools needed to operationalize the theory with mathematics.

I encourage you to develop study groups to routinely go over the lectures and appropriate readings to be sure you understand the concepts presented in class and in the readings. I also invite you to visit me during office hours.

B. Instructor Jeffrey D. Mullen, Assistant Professor

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Office Hours by appointment and

Secretary Diane O'Kelley
314 Conner Hall
542-0851

C. Course Format Production Economics
3 Credit Hours
MWF 11:15-12:05
210 Conner Hall

D. Objectives

For students to develop:

- A thorough understanding of the neoclassical microeconomic theory of production under static certainty.
- A confidence in their ability to perform verbal, graphical, and mathematical analyses, derivations, and proofs using economic theory.
- A set of skills for applying economic theory to various managerial and policy problems.
- An appreciation of both the potential and the limitations of the static certainty, neoclassical model in real world managerial and policy applications.
- An introductory understanding of the implications of bringing time and uncertainty into economic decision making, and sufficient confidence to explore these topics in greater depth.

E. Prerequisites

AAE 3580 or similar intermediate (at the undergraduate level) microeconomics course and MATH 2110 or higher.

F. Textbooks

Required

Doll, John P., and Frank Orazem. *Production Economics: Theory with Applications*. Second Edition (Reprint), Malabar, FL: Krieger Publishing Company, 1992. ISBN 0-89464-769-5.

Supplemental

Heilbroner, Robert L. *The Worldly Philosophers*. Seventh Edition, New York: Simon & Schuster, Inc., 1999.

Beattie, Bruce R. and C. Robert Taylor. *The Economics of Production*. New York: John Wiley and Sons, 1985.

G. Grades, Exams, and Assignments

Grades will be determined as follows:

Problem Sets: 35%

First Mid Term: 20%
(tentative date 9/25)

Second Mid Term: 20%

Final Exam (cumulative): 25%

For all exams you will be under a time constraint so you will need a firm command of the subject matter. I anticipate there will be at least 5 and no more than 10 graded problem sets. Even though the problem sets will be graded, I want to ENCOURAGE STUDENTS TO WORK TOGETHER. Just be sure you understand how and why you got a particular answer, to avoid disaster on the exams. All problem sets will be due at the beginning of class on the due date. A late penalty schedule will be applied (-5% for the first day, an additional -10% for each day thereafter).

Attendance at all classes is expected. A student who incurs an excessive number of absences may be dropped from the class at my discretion.