

AGEC 502(1)
Special Topics: Demand Theory
Spring 2008

Instructor: Mike Thomsen, 226 AGRI, mthomsen@uark.edu

Office Hours: By appointment Tuesdays 10:00 to 11:00.

This course introduces topics in consumer theory at a graduate level. It is primarily designed to provide students with background that will allow them to work with a thesis advisor in developing and conducting empirical studies of consumer demand and enable them to understand empirical studies of consumer demand that are encountered in the academic literature. The course provides an overview of consumer choice and demand constructs from the neoclassical perspective. This includes an overview of empirical issues in demand estimation and an example wherein students estimate a complete demand system. The course also provides an overview of ad-hoc demand estimation, hedonic pricing models, and household time allocation models.

Tentative Schedule of Topics

Neoclassical consumer theory

Axioms of preferences
Utility functions
Utility maximization
Expenditure minimization
Duality relationships

Empirical applications of neoclassical theory

Complete demand systems
Revealed preference tests

Other consumer models, theory and empirics

Ad hoc demand estimation
New models of the consumer: Becker and Lancaster
Hedonic price models
Random utility models and brand choice

Grading policy:

Grades will be based on 3 (roughly 15 to 20 minute) quizzes, homework assignments, and/or a demand analysis project and will follow the AFLS +/- grading system.

Acceptance of your Work:

You are expected to bring hard copies of homework assignments to class on the day they are due. **Email is NOT an acceptable means of handing in homework assignments.**

Work prepared for this course is expected to be completed neatly and professionally. This means that in most cases, homework assignments should be typed, and information should be presented neatly in professional looking tables, diagrams, or figures.

NO WORK WILL BE ACCEPTED AFTER THE TENTH WEEK OF THE SEMESTER

Late Work:

An assignment must be turned in no later than the beginning of class on the day it is due. Otherwise, it will be considered late. Credit for late homework assignments will be reduced by 20 percent if turned in within one week after the due date and 50 percent if turned in later than one week after the due date.

Other Policies:

Academic Dishonesty:

Academic dishonesty of any form will not be tolerated and will be handled according to established University guidelines (See the Graduate School Catalog). You are welcome and encouraged to work together on homework assignments or course projects. However, you should not simply copy the work of someone else and present it as your own.

Students with Disabilities:

If you want to request reasonable accommodations for this class due to a disability, you must first register with the Center for Educational Access (CEA) and hand-deliver an official accommodation letter from the CEA to me before or after class.

Weather policy:

In the event the University is closed due to inclement weather class will not be held. If the University implements its inclement weather policy, class will be held as normal unless notified through email by the instructor.