EC201-01, Fall 2009
Microeconomic Theory (T,TH 10:30-11:50)
Instructor: Hideo Konishi
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(Office Hours) M 1:00-3:00

Prerequisites: "Principles of Microeconomics" and "Calculus 1"

COURSE DESCRIPTION

The aim of this course is to give an in-depth presentation of what is known as microeconomic theory. We will begin with a brief overview of demand and supply analysis, and then proceed to the economic theory underlying the notions of demand and supply. We will treat the determinants of demand first, beginning with the theory of consumer behavior and building our way up to market demand for consumer goods. We will then proceed to study the behavior of producers, beginning with profit maximizing firms operation in competitive markets, from whence we will derive the theory of competitive supply. Then, we come back to the demand and supply analysis and look at the performance of the competitive market. We will also question price-taking behavior assumed in demand and supply analysis, and study firms’ strategic behavior and oligopolistic market. Note that knowledge in calculus is required in this course.

TEXTBOOK

There is one required textbook for this course, Microeconomics by Michael Katz and Harvey Rosen (Irwin/McGraw-Hill), third edition, 1999. This book does not contain calculus and it is a bit old, but its diagrammatic explanations are very good. I will provide supplemental handouts that describe calculus-based approach.
GRADE

Your grade will be based on your performance on two midterm exams, a final exam, and homeworks. Homework will count for 10% of your course grade. The remaining 90% will be divided up between three exams in the following manner: the first midterm 25%, second midterm 25%, and final exam scores will count for 40%. The final exam is a cumulative exam. The first midterm exam will be held on October 8 (TH), the second on November 19 (TH), and the final exam on December 17 (TH: 9:00am). Midterm exams are in-class exams. No make up exam will be given. A student will not be allowed to take a make up exam unless he/she asks for it in advance for compelling reasons. You may work on homework problems with other students, but you are required to make up the answers independently.

TENTATIVE SCHEDULE OF THE COURSE
Note that the course schedule may change

First block (covered by the first midterm: October 8 Thursday)
    Chapters 1, 2, 3, 4
Second block (covered by the second midterm: November 19 Thursday)
    Chapters 5, 7, 8, 9, 10, 11
Third block (covered by the final: December 17, but the final is cumulative)
    Chapters 12, 13, 15