

BOSTON COLLEGE
Department of Economics

EC 201 - Fall 2000
Microeconomic Theory

Catherine G. Schneider

Class: MWF 10 AM, Carney 104
Optional Discussion Section: TBA

This course covers the fundamental tools of microeconomic analysis. Microeconomic theory is the branch of economics that studies the behavior of individual economic units, primarily consumers and business firms, and considers how their decisions are coordinated through interactions in markets. An understanding of the material of EC 131 is presumed. We will use mathematical notation, graphical analysis, algebra, and some basic calculus concepts (MT100 level).

You are responsible for all material covered in class, the required reading assignments listed below, and any "current events" reading that may be added as the semester progresses. The text, Pindyck and Rubinfeld's *Microeconomics*, 5th ed., is available in the college bookstore. Any other readings will be on reserve in O'Neill Library.

It is important that you be able to communicate information both in writing and orally, so course grades will be based on your performance on written exams, problem sets, and class participation.

- Mid-term exams are scheduled for **Wednesday, October 11, and Wednesday, November 8**. The final exam is scheduled for **Wednesday, December 13, at 12:30 PM**. Please notify me immediately if you are unable to take an exam; make-ups will be given only for excused absences and verification of the excuse may be required (see College of Arts and Sciences policy on make-ups on page 37 of the 2000-2001 *Boston College Bulletin*).
- Six problem sets will be distributed during the semester. The dates on which they will be distributed and on which they will be due will be announced in class. If you are not in class on the relevant days, you should arrange for someone to pick up the questions or turn in your paper for you. Homework that is turned in late will be penalized (the later it is, the greater the penalty), and homework will not be accepted once the answer sheets have been distributed. You are encouraged to work together on problem sets, but you must submit independent "write-ups."
- Class participation includes class attendance. If you are unable to attend class for a prolonged period of time, please have your class dean notify me (see College of Arts and Sciences policy on class attendance on page 37 of the *Bulletin*).
- The weights for the various components of the grades will be: midterms - 25% each, final - 30%, problem sets - 10%, and class participation - 10%.

The University grading system and the College of Arts and Sciences policy on academic honesty apply. These may be found on pages 30 and 37 of the *Bulletin*.

My office is Carney 145 and the phone number is 552-3786. My e-mail address is catherine.schneider@bc.edu. Office hours will be Monday, 1:00 – 2:30; Tuesday, 9:30-11:30; Thursday, 1:00 - 2:30; and by appointment.

SYLLABUS

1. Introduction
 - A. Intro. to Microeconomics and Market Analysis (9/6)
 - P&R, Ch. 1
 - B. Review of Supply and Demand (9/8 - 9/11)
 - P&R, Ch. 2

2. Consumer Theory
 - A. Preferences and Consumer Choice (9/13 - 9/18)
 - P&R, Ch. 3 (excl. pp. 95-98 on Paasche and chain-weighted indices)
 - B. Demand Theory (9/20 - 9/25)
 - P&R, Ch. 4 (excl. Sections 4.5 and 4.6)

3. Producer Theory
 - A. Production (9/27 - 9/29)
 - P&R, Ch. 6
 - B. Costs (10/2 - 10/6)
 - P&R, Ch. 7 (excl. Sections 7.5 – 7.7)

4. Perfect Competition
 - A. Profit Maximization and Derivation of Supply (10/13 - 10/18)
 - P&R, Ch. 8
 - B. Welfare Analysis Using the Competitive Model (10/20 - 10/23)
 - P&R, Ch. 9 (excl. Section 9-4)

5. Noncompetitive Models
 - A. Market Power and Pricing Strategies (10/25 - 11/6)
 - P&R, Chs. 10 (excl. Section 10.7) & 11 (excl. Sections 11.5 and 11.6)
 - B. Monopolistic Competition and Oligopoly (11/10 - 11/17)
 - P&R, Ch. 12

6. Other Topics
 - A. Labor Markets (11/20 – 11/29)
 - P&R, Ch. 14
 - B. Capital Markets (12/1)
 - P&R, Ch. 15 (excl. Sections 15.5 – 15.8)
 - C. General Equilibrium Analysis (12/4 - 12/8)
 - P&R, Ch. 16 (excl. Section 16.7)