Microeconomic theory   EC203.01   Ingela Alger
Syllabus Fall 2000   Economics Department, Carney 244

This course develops a theoretical framework with which to analyze consumer and producer behavior. This analysis is then employed to investigate the determination of prices and output in various market situations, the implications for welfare and the potential role for government intervention. You will best succeed in this course by reading the relevant chapters of the textbook before the lecture (see the outline), and by doing many exercises.
Prerequisite: EC 131 and Calculus

Texts
The required textbook is <u>Intermediate Microeconomics</u>, 5th ed., by Hal R. Varian. You can find it in the campus bookstore, where you will also find <u>Workouts in Intermediate Microeconomics</u>, by Bergstrom and Varian. You are not required to purchase it, but it is strongly recommended.

Exams, problem sets and grading
There will be two mid-term exams in class (tentative dates are October 10 and November 9). The final exam is scheduled on December 14. The exams are non-cumulative. I will not give any make-up exams, so please make sure that you are present at the exams. And let me know of any schedule conflicts as soon as possible.

There will be eight problem sets. Late problem sets will not be accepted. I will nevertheless drop your lowest problem set grade, implying that you can miss one problem set without being penalized. You are encouraged to work together with other students on the problem sets, since discussing the problems with others should increase your understanding of the course material. It is however absolutely necessary that you alone write up the solution you hand in. Solutions that are too similar will get an F.

The final grade will be a weighted average of the exams and problem sets. The following weights will apply: Each mid-term exam   25%
                                           Final exam   25%
                                           Problem sets and class participation   25%

Office hours
Wednesdays 1.30-4.30, and by appointment (please come and see me right after class or send me an e-mail if you want to schedule an appointment).

Outline EC203.01 Fall 2000

Sept. 5	Introduction	
	Math review	Math appendix
	Consumer choice: preferences	3-4
Sept. 7	Consumer choice:	
	the budget constraint	2
Sept. 12	Consumer choice: equilibrium	5 (except 5.4)
Sept. 14	Individual demand	6
Sept. 19	Trade-off between income and time:	
	Labor supply	9.8
Sept. 21	Intertemporal consumption decisions:	
	Supply of savings	10.1-10.4
Sept. 26	Market demand and elasticity	15
	The Slutsky Equation	8
Sept. 28	Consumer surplus	14
	Compensating and equivalent variations	
Oct. 3	Pure exchange economy	29.1-29.3
Oct. 5	Review Session	
Oct. 10	**Mid-term exam I**	
Oct. 12	The firm: introduction	
	The production function	18
Oct. 17	The production function (cont.)	
Oct. 19	Cost	19.4-19.8, 20
Oct. 24	Cost (cont.)	
Oct. 26	Product supply	22
	Factor demand	
Oct. 31	Perfectly competitive markets	23

Nov. 2	Tax incidence; other applications	16
Nov. 7	Review Session	
Nov. 9	**Mid-term exam II**	
Nov. 14	General equilibrium	29.4-29.8
Nov. 16	Welfare economics	29.9-29.13 30.9, 30.11
Nov. 21	Externalities and public goods	32, 35
Nov. 28	Market power: monopoly	24
Nov. 30	Monopoly (cont.)	25
Dec. 5	Market power: oligopoly	27
Dec. 7	Review Session	
Dec. 11-12	Study days	
Dec. 14, 12:30 P.M.	**Final Exam**	