

Microeconomic theory Honors EC203.01 Fall 2001
Professor Ingela Alger

This course develops a theoretical framework 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 government's potential role.

Prerequisite: EC 131 and Calculus

Texts

The required textbook is Microeconomics, 3rd ed., by Michael L. Katz and Harvey S. Rosen. You can find it in the campus bookstore, where you will also find the Study Guide to Accompany the textbook, by Robert Rosenman. You are not required to purchase the study guide, but it is strongly recommended. The best way to digest the material in this course is by doing exercises, and the study guide contains exercises with their solutions (whereas the exercises in the textbook come without solutions).

Exams, problem sets and grading

There will be two mid-term exams in class (tentative dates are October 9 and November 8), the final being held on December 18. I will not give any make-up exams, so please make sure that you are present at the exams.

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	20%
Final exam	40%
Problem sets and class participation	20%

Contact information

Office hours: Tuesdays 2.00-3.00 and Thursdays 9.30-11.00, and by appointment.

My office is located in Carney 244.

e-mail: ingela.alger@bc.edu

web: <http://www2.bc.edu/~algeri>

Phone: 617-552 15 89

Outline EC203.01 Fall 2001

Sept. 4	Introduction Math review Consumer choice: preferences	1 2.1-2.2, 3A.1
Sept. 6	Consumer choice: the budget constraint	2.3
Sept. 11	Consumer choice: equilibrium	2.4, 3A.2
Sept. 13	Individual demand	3.1-3.2
Sept. 18	Market demand and elasticity The Slutsky Equation	3.3, 3A.3 4.1
Sept. 20	Trade-off between income and time: Labor supply	5.1
Sept. 25	Intertemporal consumption decisions: Supply of savings	5.2
Sept. 27	Compensating and equivalent variations	4.2-4.3
Oct. 2	Consumer surplus	4.4
Oct. 4	Pure exchange economy Review Session	pp. 374-383
Oct. 9	<u>Mid-term exam I</u>	
Oct. 11	The firm: introduction The production function	7.1-7.2 8
Oct. 16	The production function (cont.)	
Oct. 18	Cost	9
Oct. 23	Cost (cont.)	9A1.-9A.2
Oct. 25	Product supply Factor demand	10.1 10.2
Oct. 30	Perfectly competitive markets	11.1

Nov. 1	Tax incidence; other applications	11.2-11.3
Nov. 6	Review Session	
Nov. 8	<u>Mid-term exam II</u>	
Nov. 13	General equilibrium	12.1
Nov. 15	Welfare economics	12.2
Nov. 20	Externalities and public goods	18.1-18.2, 18.3
Nov. 27	Market power: monopoly	13
Nov. 29	Market power: oligopoly	15.1-15.2
Dec. 4	Asymmetric information	17.2-17.3
Dec. 6	Review Session	
Dec. 18, 9 A.M.	<u>Final Exam</u>	