

This course will provide you with the chance to learn a set of powerful concepts and tools which are very useful for analyzing any economic environment. You will best succeed by reading the relevant chapters of the textbook before the lecture (see the outline), **and** by doing exercises.

### **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 it, 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 most exercises in the textbook come without solutions).

### **Exams, problem sets and grading**

There will be two mid-term exams in class (on October 4 and November 8). The final exam is scheduled for December 13. 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 for you to complete. The due dates are indicated in the outline (see the following pages). 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	40%
Problem sets and class participation	10%

### **Office hours**

Mondays 2-4, and by appointment (please come and see me right after class if you want to schedule an appointment).

## Outline EC201.01 Fall 1999

Sept. 3		Introduction	1
Sept. 8		Consumer choice: preferences	2.1-2.2
Sept. 10	PS1 out	Consumer choice: the budget constraint	2.3
Sept. 13		Consumer choice: equilibrium	2.4, 3A.1
Sept. 15	<b><u>PS1 due</u></b>	Individual demand	3.1-3.2, 3A.2
Sept. 17	PS2 out	Market demand and elasticity	3.3, 3A.3
Sept. 20		Effects of price changes on demand	4.1
Sept. 22	<b><u>PS2 due</u></b>	Trade-off between income and time: Labor supply	5.1
Sept. 24	PS3 out	Intertemporal consumption decisions: Supply of savings	5.2
Sept. 27		Choice under uncertainty	6.1
Sept. 29	<b><u>PS3 due</u></b>	Compensating and equivalent variations	4.2-4.3
Oct. 1		Consumer surplus	4.4
Oct. 4		<b><u>Mid-term exam I</u></b>	
Oct. 6		The firm: introduction	7.1-7.2
Oct. 8		The production function	8
Oct. 13		The production function (cont.)	
Oct. 15	PS4 out	Cost	9
Oct. 18		Cost (cont.)	9A.1-9A.3
Oct. 20	<b><u>PS4 due</u></b>	Product supply	10.1
Oct. 22	PS5 out	Factor demand	10.2
Oct. 25		Perfectly competitive markets	11.1

Oct. 27	<b><u>PS5 due</u></b>	Perfectly competitive markets (cont.)	
Oct. 29	PS6 out	Tax incidence and other applications	11.2-11.3
Nov. 1		General equilibrium	12.1
Nov. 3	<b><u>PS6 due</u></b>	General equilibrium (cont.)	
Nov. 5		Welfare economics	12.2
Nov. 8		<b><u>Mid-term exam II</u></b>	
Nov. 10		Welfare economics (cont.)	
Nov. 12		Externalities	18.1-18.2
Nov. 15		Public goods	18.3
Nov. 17	PS7 out	Market power: monopoly	13
Nov.19		Monopoly (cont.)	
Nov. 22	<b><u>PS7 due</u></b>	Monopoly (cont.)	
Nov. 29		Game theory	16.1, 16.3
Dec. 1	PS8 out	Market power: oligopoly	15.1-15.2
Dec. 3		Oligopoly (cont.)	
Dec. 6	<b><u>PS8 due</u></b>	Asymmetric information: adverse selection	17.1-17.2
Dec. 8		Asymmetric information: moral hazard	17.3
Dec. 13		<b><u>Final Exam</u></b>	