

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.

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 most exercises in the textbook come without solutions).

Exams, problem sets and grading

There will be two mid-term exams in class (on February 22 and April 4). The final exam is scheduled on May 9. 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. 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%

Office hours

Tuesdays 1-3, and by appointment (please come and see me right after class if you want to schedule an appointment).

Outline EC201.02 Spring 2000

Jan. 18		Introduction Consumer choice: preferences	1 2.1-2.2
Jan. 20	PS1 out	Consumer choice: the budget constraint	2.3
Jan. 25		Consumer choice: equilibrium	2.4, 3A.1
Jan. 27	<u>PS1 due</u>	Individual demand	3.1-3.2, 3A.2
Feb. 1	PS2 out	Market demand and elasticity Effects of price changes on demand	3.3, 3A.3 4.1
Feb. 3		Trade-off between income and time: Labor supply	5.1
Feb. 8	<u>PS2 due</u>	Intertemporal consumption decisions: Supply of savings	5.2
Feb. 10	PS3 out	Compensating and equivalent variations	4.2-4.3
Feb. 15		Consumer surplus	4.4
Feb. 17	<u>PS3 due</u>	Pure exchange economy	pp. 374-383
Feb. 22		<u>Mid-term exam I</u>	
Feb. 24	PS4 out	The firm: introduction The production function	7.1-7.2 8
Feb. 29		The production function (cont.)	
Mar. 2	<u>PS4 due</u>	Cost	9
Mar. 14	PS5 out	Cost (cont.)	9A.1-9A.3
Mar. 16		Product supply Factor demand	10.1 10.2
Mar. 21	<u>PS5 due</u>	Perfectly competitive markets	11.1
Mar. 23	PS6 out	Tax incidence and other applications	11.2-11.3
Mar. 28		General equilibrium	12.1

Mar. 30	<u>PS6 due</u>	Welfare economics	12.2
Apr. 4		<u>Mid-term exam II</u>	
Apr. 6	PS7 out	Welfare economics (cont.)	
Apr. 11		Externalities	18.1-18.2
Apr. 13	<u>PS7 due</u>	Public goods	18.3
Apr. 18	PS8 out	Market power: monopoly	13
Apr. 25		Monopoly (cont.)	
Apr. 27	<u>PS8 due</u>	Market power: oligopoly	15.1-15.2
May 2		Review session	
May 9, 12.30		<u>Final Exam</u>	