

BOSTON COLLEGE
Department of Economics

EC 201 - Fall 1997
Microeconomic Theory

Catherine G. Schneider

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 co-ordinated 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.

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*, 4th 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 written form and orally, so course grades will be based on your performance on written exams, problem sets, and class participation.

- (1) Mid-term exams are tentatively scheduled for **Monday, October 6 and Wednesday, November 5**. The final exam is scheduled for **Friday, December 19 from 9:00 a.m. to noon**. 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 attached policy on exams from the Student Handbook).
- (2) 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."
- (3) 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 attached policy on class attendance from the Student Handbook).
- (4) The weights for the various components of the grades will be: midterms - 25% each, final - 30%, problem sets - 10%, and class participation - 10%.

Please read the attached statement on academic integrity.

My office is Carney 144 and the phone number is 552-3786. My e-mail address is catherine.schneider@bc.edu. Office hours will be Tuesday, 9:30-11:30; Wednesday, 1:00 - 2:00; Thursday, 1:00 - 2:30; and by appointment

SYLLABUS

1. Introduction
 - A. Intro to Microeconomics and Market Analysis (9/3)
 - P&R, Ch. 1
 - B. Review of Supply and Demand (9/5 - 9/8)
 - P&R, Ch. 2

2. Consumer Theory
 - A. Preferences and Consumer Choice (9/10 - 9/15)
 - P&R, Ch. 3

 - B. Demand Theory (9/17 - 9/22)
 - P&R, Ch. 4 (pp. 101-131)

3. Producer Theory
 - A. Production (9/24 - 9/26)
 - P&R, Ch. 6
 - B. Costs (9/29 - 10/3)
 - P&R, Ch. 7 (pp. 205-229)

4. Perfect Competition
 - A. Profit Maximization (10/8 - 10/15)
 - P&R, Ch. 8
 - . Applications of the Competitive Model (10/17 - 10/22)
 - P&R, Ch. 9

5. Noncompetitive Models
 - A. Monopoly and Applications of Monopoly Theory (10/24 - 11/3)
 - P&R, Chs. 10 (pp. 333-366) & 11 (pp. 375-392)
 - B. Monopolistic Competition and Oligopoly (11/7 - 11/14)
 - P&R, Chs. 12

6. Other Topics
 - A. Input Markets (11/17 - 11/21)
 - P&R, Ch. 14
 - B. General Equilibrium Analysis (11/24 - 12/3)
 - P&R, Ch. 16 (pp. 579-604)
 - C. Market Failure - Externalities (12/5 - 12/8)
 - P&R, Ch. 18 (pp. 647-678)