

SYLLABUS
BOSTON COLLEGE
DEPARTMENT OF ECONOMICS

EC201
Microeconomic Theory

A. Laramie
Fall 1998

OFFICE HOURS:

Office: Carney 243
Hours: Tuesday and Thursday 10:30 to 11:30 and by appointment
E-mail: alaramie@Merrimack.edu

REQUIRED READINGS: Browning and Zupan, Microeconomic Theory and Applications, 6th Edition, Addison-Wesley, 1998

COURSE OBJECTIVE: The purpose of this course is to provide a broad background in microeconomic theory and policy. Microeconomic theory provides a guide to rational decision making. Various decision rules are introduced to guide rational economic behavior. In this course, we develop those decision rules, apply those rules to a number of situations, and consider the efficiency and policy implications.

COURSE DESCRIPTION:

- I. Introduction.
 - A. The origins of microeconomics
 - B. An introduction to microeconomics as described in your text
 - C. Supply and demand

(Handout, Chapters 1 and 2)

- II. The Theory of Consumer Behavior
 - A. The theory of individual consumer choice
 - B. The individual and market demand
 - C. The consumer's choice to save or borrow
 - D. The investor's choice

(Chapters 3 and 4, Chapter 5, sections 5.4 and 5.5)

- III. The Theory of Production

- A. Preliminary Assumptions and Technical Relations
 - B. Costs of Production
 - i. Short run
 - ii. Long run
 (Chapters 6 and 7)
- IV. Market Structures and Economic Performance
- A. Profit maximization in perfectly competitive markets
 - B. Efficiency implications
 - C. Monopoly
 - D. Price Discrimination
 - E. Efficiency Implications
 - F. Natural Monopoly
 - G. Monopolistic Competition and Oligopoly
 - H. Economic efficiency and imperfect competition
- (Chapter 8, Chapter 9, section 9.1, Chapter 10, Chapter 11, sections 11.1 - 11.3, Chapter 14, sections 14.1 - 14.3 and Chapter 12)

GRADING:

Grading is based upon four in-class quizzes, a mid-term exam, and a final exam. The lowest quiz grade is dropped. Each of the remaining quiz grades counts 10% towards your final grade. The mid-term exam's grade weight is 30%. The final exam's grade weight is 40%. The final exam is cumulative.

TENTATIVE ASSIGNMENT SCHEDULE:

- 9/3 Introduction
- 9/8 Handout
Chapters 1
Recommended questions 1.5, 1.7, 1.9, 1.11
Chapter 2
- 9/15 Chapter 2 continued
Recommended questions 2.1, 2.4, 2.8, 2.9, 2.11, 2.14, 2.16, 2.17, 2.20
- 9/22 Chapter 3

- Recommended questions 3.1, 3.2, 3.3, 3.5, 3.8 - 3.10, 3.14, 3.16, 3.19
- 9/29 Quiz 1
Chapter 4
Recommended questions 4.1 - 4.4, 4.6, 4.7, 4.22, 4.25, 4.26
- 10/6 Chapter 5, sections 5.4 and 5.5
Recommended questions 5.10, 5.11, 5.12
Quiz 2
- 10/13 Chapter 6
Recommended questions 6.1 - 6.5, 6.7, 6.9, 6.10, 6.12, 6.13, 6.15 - 6.17, 6.19
- 10/20 Review
Mid-term exam
- 10/27 Chapter 7
Recommended questions 7.1 - 7.8, 7.16
- 11/3 Chapter 8
Recommended questions 8.1 - 8.7, 8.10, 8.11, 8.16
Quiz 3
- 11/10 Chapter 9, section 9.1
Chapter 10
Recommended questions 10.1, 10.2, 10.5, 10.7, 10.12, 10.15-10.20
- 11/17 Chapter 11, sections 11.1 - 11.3
Chapter 14, sections 14.1 - 14.3
Quiz 4
- 11/24 Review
No classes on 11/26
- 12/1 Chapter 12
Recommended questions 12.1 - 12.5, 12.8, 12.12, 12.17
- 12/8 Review (last day of classes)
Final Exam--As scheduled