

#### OVERVIEW

This course covers the basic tools of microeconomics, primarily consisting of the optimizing behavior of individual economic units (consumers and business firms), and their resulting interactions in markets. This material is quantitative and mathematical. It is presented using graphical analysis, algebra, and basic calculus.

#### TEXT

The required texts are, "Intermediate Microeconomics: A Modern Approach," 4th Edition, by Hal Varian, and "Workouts in Intermediate Microeconomics," by Theodore Bergstrom and Hal Varian.

#### GRADING

Midterm: 40%, Final: 40%, homework and class participation: 20%.

#### HOMEWORK

Many students find Micro difficult and confusing at first. Experience has shown that it is best learned by working on practice problems, not by rote memorization. Homework will consist mostly of problems from "Workouts in Intermediate Microeconomics." The homeworks will not be formally graded, but whether they have been turned in or not will be noted and will affect your course grade.

#### GETTING HELP

There will be a teaching assistant for this course, with office hours that will be announced in class. I will be available to answer questions immediately after class. I am frequently in my office at other times, and you are welcome to come see me anytime that I'm in.

#### SYLLABUS

1. Basic Supply and Demand. Varian chapter 1.
2. Math review. Varian Mathematical Appendix.
3. The Budget Constraint. Varian chapter 2.
4. Preferences. Varian chapter 3.
5. Utility. Varian chapter 4.
6. Choice. Varian chapter 5.
7. Demand. Varian chapter 6.
8. Slutsky equation, Income and Substitution Effects. Varian chapter 8.
9. Net and Gross Demands, Labor Supply. Varian chapter 9.
10. Intertemporal Choice and Present Value. Varian chapter 10.
11. Consumer Surplus. Varian chapter 14.
12. Market Demand. Varian chapter 15.
13. Equilibrium. Varian chapter 16.
14. Technology. Varian chapter 17.
15. Profit Maximization. Varian chapter 18.
16. Cost Minimization. Varian chapter 19.
17. Cost Curves. Varian chapter 20.
18. Firm Supply. Varian chapter 21.
19. Industry Supply. Varian chapter 22.
20. Monopoly pricing and Price Discrimination. Varian chapters 23, 24.
21. Factor Markets. Varian chapter 25.
22. Exchange and Trade, The Edgeworth Box. Varian chapter 28.
22. Oligopoly. Varian chapter 26.
23. Game Theory. Varian chapter 27.
24. Externalities, Public Goods, Asymmetric Information. Varian chapters 31, 34, 35.