

Ec201.03 Microeconomic Theory, MWF 10
Spring 1996
Boston College

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Office Hours: Mondays & Fridays 11:00-11:50 a.m., Wednesdays
1:10-2:00 p.m. and by appointment

Prerequisite: Ec131 or comparable course

Introduction

Microeconomic Theory is an intermediate level course in microeconomics. Its function is to provide students with a good understanding of the tools and concepts of microeconomics and an ability to use them in solving problems.

The work in this course consists of three forms of study: attending classes, studying the textbook and working on review questions and exercises given at the end of most chapters in the textbook.

Most students find the material in this course hard to learn overnight (e.g. the night before the exam!). It is better to work on the material all through the course by reading the assigned chapters before the relevant classes, and, after attending class, by rereading any parts that seemed difficult in the first reading. Then, test your understanding by going through the corresponding assignments of exercises. These are excellent practice for the examinations.

Examinations and Grading Policy

The examinations in the course consist of two in-term examinations, a final examination and 6-7 preannounced quizzes during classes. The quizzes will be based on assigned exercises. Answers to all exercises are on reserve in the library. The final course grade is based on these parts with percentage weights as shown:

1st midterm grade 25 %
2nd midterm grade 25 %
quiz grade total 10 %

final examination 40 %
grade

The first midterm examination is tentatively scheduled to be held on 2/21/96, the second on 3/27/96. The final examination date is as scheduled by the Registrar.

Make-ups for missed midterm examinations will be given a) in the case of a temporarily incapacitating illness and b) when the absence is due to religious reasons (as described in the Undergraduate Catalog). Documentation will be required for a), and preannouncement for b). Make-ups may also be arranged for reasons of 'severe life events'.

Topics and Assigned Readings

TEXT: Pindyck, Robert S. and Daniel L. Rubinfeld, 1994, *Microeconomics*. Third Edition, Prentice-Hall, Inc. (The text comes with a free study guide. Don't forget to pick that one up!)

The following is a tentative timetable for the course. For each of the 38 class meeting times (excluding the two midterm examination dates), it lists the topics to be covered and the chapter(s) in the text that you should study for them. **NOTE:** All non-starred end-of-chapter exercises in the chapters listed below are to be regarded as assigned homework exercises (i.e. the quiz may include any one of them). Starred sections of the text and the associated starred exercises may be skipped, unless explicitly otherwise stated.

DATES

TOPICS

1/17-
1/19

Introduction (Chs. 1,2)

CONSUMER THEORY

1/22-
1/26

Consumer Optimum (Ch. 3)

1/29-
2/2

Demand Functions (Ch. 4.1-4.5)

THEORY OF THE FIRM: Technological and Market Constraints

2/5- Production Functions (Ch. 6)
2/9

2/12- Cost Functions (Ch. 7.1-7.5)
2/16

THEORY OF THE FIRM: Price Taking Behavior

2/19, Perfect Competition: The Firm, the Industry
2/23-2/28 and the Market (Chs. 8-9)

THEORY OF THE FIRM: Price Making Behavior

3/1, The Monopoly (Ch. 10.1-10.4, Ch. 11.1-11.4)
3/11-3/15

3/18-3/25 Monopolistic Competition and Oligopoly
 (Chs. 12-13)

ADDITIONAL TOPICS

3/29- 4/3, Input Markets (Ch. 14)
4/10

4/12, General Equilibrium and Economic Efficiency
4/17-4/19 (Ch. 16)

4/22- Selected Topics from Chapters 17 and 18
4/2 (to be announced later)

5/1 Review