

**BOSTON COLLEGE**  
**Department of Economics**

**EC 201**  
**Microeconomic Theory**

**Frank Gollop**  
**Fall 2009**

**Syllabus**

Course Description: EC 201 develops a theoretical framework with which to analyze the behavior of the two basic economic decision-makers, the consumer and the producer. This framework is used to investigate the determination of price and output in perfectly and imperfectly competitive markets. Criteria for analyzing economic welfare are developed and applied to a variety of market settings.

Prerequisites: One semester of calculus (e.g., MT 100).

Office: 21 Campanella Way, Room 488

Telephone: (617) 552-3693

E-mail: gollop@bc.edu

Office Hours: TTh 3:30-4:30 or by appointment

Textbook: Katz and Rosen, *Microeconomics*, 3rd ed.

Examinations and Problem Sets: There will be three exams – two midterms and a final. The material covered in the second midterm and the final exam will be cumulative from the beginning of the course. There also will be a number of problem sets.

Grading:

Midterm 1:	20%
Midterm 2:	30%
Final:	40%
Problem Sets:	10%

Examination Make-up Policy: The following policy will be strictly enforced. (1) To be sure you are not penalized for missing an exam, you must obtain my approval before the exam. (2) There will be no make-up exams for either midterm. If you miss a midterm exam, the weight assigned to that exam will be distributed over the remaining exams.

Academic Integrity: Cheating on any exam will result in (1) an automatic failure in the course and (2) reporting the incident to the College of Arts and Sciences as required by the University. See [www.bc.edu/offices/stserv/academic/resources/policy.html#integrity](http://www.bc.edu/offices/stserv/academic/resources/policy.html#integrity) for a full discussion of the university's policies and procedures regarding academic integrity.

## Course Outline

I.	Course Introduction Katz and Rosen, Chapter 1 (especially pp. 2-3, 7-8, and 10-17)	Sept. 8
II.	Consumer Behavior Katz and Rosen, Chapter 2 (pp. 21-40, 43-52, including appendix); Chapter 3 (pp. 55-68, 73-85); Chapter 4 (pp. 93-101, 108-15) --Preferences and Indifference Curves --Budget Constraint --No class (Mass of the Holy Spirit) --Consumer Equilibrium --Price and Income Changes --Elasticity --Income and Substitution Effects --Consumer Surplus	Sept 8-Oct 6 Sept 8-10 Sept 15 Sept 17 Sept 22 Sept 24 Sept 29 Oct 1 Oct 6
	<b>First Midterm Exam</b>	<b>Oct 8</b>
III.	Producer Behavior Katz and Rosen, Chapters 8 and 9 (including Chapter 9 appendix); Students who feel they need to review basic producer theory should read Chapter 7 before studying Chapters 8 and 9. --The Production Function and Its Technical Properties --Cost in the Short Run --Cost in the Long Run --Review of Producer Behavior	Oct 8-29 Oct 8-15 Oct 20-22 Oct 27 Oct 29
IV.	Competitive Markets Katz and Rosen, Chapter 10 (pp. 299-321); Chapter 11 (pp. 326-42, 359-67). --Price-Taking Behavior in Short and Long Runs --Factor Demand --Competitive Equilibrium	Nov 3-12 Nov 3-5 Nov 10 Nov 12
	<b>Second Midterm Exam</b>	<b>Nov 17</b>
V.	General Equilibrium and Welfare Economics Katz and Rosen, Chapter 12 (pp. 370-94). --General Equilibrium --Welfare Economics	Nov 19-Dec 1 Nov 19 Nov 24-Dec 1
VI.	Monopoly Katz and Rosen, Chapter 13 (pp. 407-21; 425-32). --The Monopoly Model --Equity and Efficiency Implications --Antitrust Policy	Dec 3-10 Dec 3 Dec 8 Dec 10
	<b>Final Exam</b>	<b>Friday, Dec 18, 9:00 am</b>