

EC 203: Microeconomic Theory - Honor

Term: Fall 2009

Instructor: Tayfun Sönmez, *Office:* 21 Campanella Way, Room 472

Office Hours: Mondays and Thursdays 12:00 noon - 1:15PM or by appointment.

Teaching Assistant: Orhan Aygun.

TA will be holding office hours at 21 Campanella Way, Room 480 on Tuesdays and Wednesdays 12:00 noon - 1:30PM.

Course Objectives: This is an intermediate level microeconomics course for economics majors. It covers topics such as consumer theory, producer theory, exchange, auctions, monopoly, oligopoly, externalities, public goods and asymmetric information. The aim of the course is to provide the students with a solid background of the tools of microeconomic analysis as well as improving their problem solving skills.

Teaching Method: Lectures. The lectures will cover primarily the theoretical material, supplemented with examples. Participation is very much encouraged. Problem solving is essential for improving ones understanding of microeconomics. Regular homework exercises will be assigned (see below).

Course Materials:

1. *Intermediate Microeconomics, A Modern Approach*, Hal Varian, Norton, Seventh Edition. (Earlier editions can be used as well.)
2. *APLIA at www.aplia.com* You should explore this web-site asap, you will also have a workbook of the book for the course online at this web-site.

Registration to Aplia: Connect to <http://www.aplia.com>. Click the New Student link and enter your Course Key: FMSE-P99K-QKAX. Continue following the instructions to complete your registration. Cost of Aplia is US\$ 35.

3. Lecture notes that you take during the class.

Grades and Requirements: Students are expected to come to each class, read the assigned material and solve the homework questions as scheduled.

Homework assignments: There will be graded homework assignment sets at www.APLIA.com, they will be submitted online. Solving these assignments will be absolutely crucial for success in this course. Your teaching assistant will hold an *office hour* each week to answer your questions about that week's homework assignment. Also you can see me during the office hours to answer your questions. The homework assignment is

computerized and it will be due TUESDAY or THURSDAY early morning.

Quizzes: There will be 5 quizzes each of which will be announced at least one week before the quiz. Quizzes will cover the material covered in class as well as questions similar to ones in homeworks.

Grades: Grades will be based on homeworks (10%), 5 quizzes each of which will be announced at least one week before the quiz (15%), one midterm (35%) and a final exam (40%). Both the midterm and the final exam will be open book-open notes.

Course Outline:

- Introduction (0.5 lecture)
- Budget Constraint (Varian Ch. 2, 0.5 lecture)
- Preferences and Utility (Varian Chs. 3 and 4, 1.5 lectures)
- Choice and Demand (Varian Chs. 5 and 6, 2.5 lectures)
- Revealed Preference (Varian Ch. 7, 1 lecture)
- Slutsky Equation (Varian Ch. 8, 1 lecture)
- Buying and Selling (Varian Ch. 9, 1 lecture)
- Intertemporal Choice (Varian Ch. 10, 1 lecture)
- Market Demand (Varian Ch. 15, 0.5 lecture)
- Equilibrium (Varian Ch. 16, 1 lecture)
- Exchange (Varian Ch. 28, 2 lectures)
- Auctions (Varian 17, 0.5 lecture) *
- Technology (Varian Ch. 18, 0.5 lecture)
- Profit Maximization (Varian Ch. 19, 1.5 lectures)
- Cost Minimization and Cost Curves (Varian Chs. 20 and 21, 1.5 lectures)
- Firm and Industry Supply (Varian Chs. 22 and 23, 2 lectures)
- Monopoly (Varian Ch. 24, 1.5 lectures)
- Oligopoly (Varian Ch. 27, 1.5 lectures)
- Production (Varian Ch. 32, 1 lecture) *
- Externalities (Varian Ch. 34, 1 lecture) *

- Public Goods (Varian Ch. 36, 1 lecture)
 - Asymmetric Information (Varian Ch. 37, 1.5 lectures) *
- * These chapters will be covered selectively if time permits.

Statement on Academic Integrity from the College of Arts and Sciences:

The College [of Arts and Sciences] expects all students to adhere to the accepted norms of intellectual honesty in their academic work. Any forms of cheating, plagiarism, or dishonesty or collusion in another's dishonesty is a fundamental violation of these norms.

CHEATING is the use or attempted use of unauthorized aids in any exam or other academic exercise submitted for evaluation. This includes data falsification; the fabrication of data; deceitful alteration of collected data included in a report; copying from another student's work; unauthorized cooperation in doing assignments or during an examination; the use of purchased essays, term papers, or preparatory research for such papers; submission of the same written work in more than one course without prior written approval from the instructor(s) involved; and dishonesty in requests for either extensions or papers or make-up examinations.

PLAGIARISM is the deliberate act of taking the words, ideas, data, illustrative material, or statements of someone else, without full and proper acknowledgment, and presenting them as one's own.

COLLUSION is assisting or attempting to assist another student in an act of academic dishonesty.

As part of your scholarly development, you must learn how to work cooperatively in a community of scholars and fruitfully utilize the work of others without violating the norms of intellectual honesty. You have a responsibility to learn the parameters of collaboration and the proper forms for quoting, summarizing and paraphrasing.

Faculty members who detect any form of academic dishonesty have the responsibility to take appropriate action. The faculty member also has the responsibility to report the incident and penalty to the Department Chairperson and the appropriate Class Dean. The report will remain in your student file until you graduate.

If the gravity of the offense seems to warrant it or if the faculty member prefers that another academic authority decide the matter, he or she may refer the case to a Dean. In addition, if the student is unwilling to accept the faculty member's decision, he or she may choose to have the matter adjudicated either by an Associate Dean or by an Administrative Board. The section of the College of Arts and Sciences in the Boston College Undergraduate Catalogue has further details about this process. Academic integrity is a very important matter. If you have any questions in any of your courses about what is allowed or not allowed, please discuss the matter immediately with the instructor.

Disability Statement:

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and the Office of Disability Resources and Services through Suzy Conway, Ph.D., LICSW, Assistant Dean for Students with Disabilities, Office of the Dean for Student Development, Boston College, 21 Campanella Way, Suite 212, Phone: 617-552-3470, TTY: 617-552-2548, Fax: 617-552-3473, Email: suzy.conway@bc.edu. Also see <http://www.bc.edu/offices/odsd/disabilityservices.html>.