

OVERVIEW

Microeconomics is the study of the interactions that happen between individuals (define broadly to include buyers, sellers, governments and firms) that determine what is produced and how economic benefits are distributed. In the introductory course you learned about how economists view the world and how they formulate theories about how the economy works at the level of the individual. In this course we get into the details. In doing so, we will use a lot of math, not to complicate things, but to teach you the tools that economists used to analyze and solve real problems.

REQUIRED TEXT

The book we will use for the course is available at the bookstore. It is: *Intermediate Microeconomics: a modern approach (7th edition)* by Hal Varian. You will be responsible for all the material in each of the chapters we cover. This includes the chapter appendices and any material that is not covered in lecture.

HOMEWORK

There will be 8 to 10 homework assignments. All the homeworks are attached to this syllabus which set the due date for each. The purpose of these problem sets is to help you further understand the material covered in class and to prepare you for the exams. I encourage you to discuss how to solve the problem sets with others in the class or come see me if you get stuck. I will not accept late homework assignments, so do not wait until the last minute to begin. The content of the problem sets will either be problems, short writing assignments that are based on an in-class exercise we do, or a combination. While the problem sets need not be typed, they should be written *legibly*.

OPPORTUNITY COSTS (my one rant)

Let's get one thing straight at the beginning – my job is not to minimize your opportunity costs. The extracurricular activities (e.g., athletics) that you participate in take time and may cause conflicts with your classes. In other words, there are *time opportunity costs to participating in these activities*. I have designed the course to minimize any potential conflicts (midterms will happen in class and the entire class schedule is posted on the back) but your choices may impact your performance in this class. The opportunity costs implied by your choices are yours, not mine. For example, I do repeat lectures if you miss class and I do not give make up exams.

GRADING

Your performance in the class will depend on three things: Homework Assignments, Midterms, and a Final Exam. Midterm exams are not cumulative, but the final exam is. This means that you will need to study all the topics we cover in the class for the final exam. The in-class exam dates are written on the class schedule (see the back of this sheet) and are not negotiable. However, people may get sick and miss an exam. With this in mind, only the best 2 of the 3 midterms will count towards your grade.

Everything you do for this course will be graded on a 100 point scale. Your final grade for the course will be the weighted average: $[60\% \times (3 \text{ midterms})] + [30\% \times (\text{the final})] + [10\% \times (\text{homework})]$. You will receive a numerical and a letter grade on each assignment or test. The letter grade will depend on how well you do compared to the rest of the class. There is no explicit curve that I will use to determine letter grades; instead, after each assignment or test I will look for natural breaks in the numerical grades to assign letter grades.

On the back of this sheet you will find a schedule of topics (book chapters) for the course. As you will see, there is one small complication: I've been asked to be a visiting scholar at the Boston Federal Research Bank this year which might cause us to reschedule a class or two.

SCHEDULE OF TOPICS

Week	Date	Homework due	Topic	Book Chapter
1	9/8		Math Preparation – partial derivatives	handout
1	9/10		The Market	1
2	9/15		The Budget Constraint	2
2	9/17	#1	Preferences	3
3	9/22		Utility	4
3	9/24	#2	Choice	5
4	9/29		Demand	6
4	10/1	#3 due 9/30	First Midterm Exam (in class)	1-5
5	10/6		Inter-temporal Choice	10
5	10/8	#4	Uncertainty	12
6	10/13		No Class – Fall Break	
6	10/15		No Class – Prof. at Fed	
7	10/20		Market Demand	15
8	10/22	#5	Equilibrium	16
8	10/27	#6 due 10/26	Second Midterm Exam (in class)	6, 10, 12, 15, 16
9	10/29		Technology	18
9	11/3		Profit Maximization	19
10	11/5		Monopoly	24
10	11/10	#7	Oligopoly	27
11	11/12	#8 due 11/11	Third Midterm Exam (in class)	18, 19, 24, 27
12	11/17		No Class – Prof. at Fed	
12	11/19		No Class – Prof. at Fed	
13	11/24		Game Theory	28
13	11/26		No Class - Thanksgiving	
14	12/1		Auctions	17
14	12/3	#9 due 12/4	Public Goods	35

Finals Week 12/8 – 12/12