

**ECON-500**

**Microeconomic Theory**

**Spring 2008**

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Office Hours: Tuesdays and Fridays, 1:00-2:00  
Wednesdays, 2:30-5:15  
And by Appointment

**COURSE DESCRIPTION:** The purpose of this course is to explore the foundations of microeconomic theory, focusing on the behavior of individuals, firms and the interaction of these agents in the marketplace. The organization of markets and its implications for firm behavior will also be examined. Moreover, the process by which these markets reach equilibrium will be explored. Finally, the concepts of market efficiency will be discussed. The principles covered in this course are building blocks, which can and will be used to analyze many specialized topics, such as externalities, international trade policy, and public goods.

**TEXT:** The primary text for this course is Walter Nicholson's *Microeconomic Theory, Ninth Edition*. However, you may also want to have an Intermediate-level Microeconomic textbook as a source of reference. Here are some recommended texts...

- (1) Nicholson, Walter, *Intermediate Microeconomics*. Southwestern.
- (2) Varian, Hal R. *Intermediate Microeconomics*. W.W. Norton & Company.

For those whose math skills may be a little rusty, you may also want to invest (or check out of the library) a Calculus textbook.

**GRADING:**

Problem Sets	15%
Midterm #1 ( <i>February 13</i> )	25%
Midterm #2 ( <i>March 26</i> )	25%
Final Exam ( <i>May 7</i> )	35%

I plan to place bi-weekly problem sets on the course website that will be due at the beginning of class on the dates listed below. Late problem sets will receive a grade of zero. Students are welcome to collaborate on the problem sets as long as you write the answers yourself. The best way to learn the material is to struggle through these problem sets!

Exams cannot be missed, and makeup exams will not be given under any circumstance. Students who must miss an exam due to a family or medical emergency, and can document that emergency, can scale their other exam scores up proportionately. Below is a preliminary course outline. Dates are subject to change.

**COURSE OUTLINE:**

I. Introduction January 16  
(Chapter 2)

II. Consumer Behavior January 16-30  
(Chapters 3-6)

*Homework #1 (Math Review) Due* *January 23*

III. Producer Behavior February 6-20  
(Chapters 7-9)

*Homework #2 (Consumer Theory) Due* *February 6*

*Midterm #1* *February 13*

IV. Competitive Markets and Equilibrium February 27-March 5  
(Chapters 10-11)

*Homework #3 (Producer Theory) Due* *February 27*

*Spring Break* *March 12*

V. Market Power March 19-April 2  
(Chapters 13-14)

*Homework #4 (Competitive Equilibrium) Due* *March 19*

*Midterm #2* *March 26*

VI. Public Goods and Externalities April 9  
(Chapter 20)

*Homework #5 (Market Power) Due* *April 9*

VII. Economics of Information April 16  
(Chapter 19)

VIII. Game Theory April 23  
(Chapter 12)

*Homework #6 Due* *April 23*

*Final* *May 7*