

COURSE OUTLINE  
Microeconomic Theory 6485

Professor S. Craig  
Office: 202A, M

Hours: MW, 3-4:30  
or by appointment (use e-mail!)

Fall, 2011  
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Required Text: W. Nicholson and C. Snyder  
Microeconomic Theory, Basic Principles and Extensions (10<sup>th</sup> ed- there's a new 11<sup>th</sup>, we'll try to get away with the old.)

The purpose of this course is to advance your technical understanding of economic theory concerning individual behavior, the behavior of firms, about how firms and consumers interact in the marketplace, and the role of markets in the economy. We will focus on using this understanding empirically, by for example formulating econometric models. You will be expected to demonstrate your expertise in the material through a combination of clear and precise writing, and analytical problems- which is why this course is such perfect vocational training. We will use the Friday labs for this course to review homework, and to work on the project. Late work will be marked off. Exam make-ups are only available if arrangements are made in advance, in writing. The official class calculator is the Sharp EL-233SB (the cheapest, simplest one in the bookstore). All other electronic devices are banned from class and exams.

**Class attendance is mandatory.**

Course Requirements: 1 midterm, 1 final, 3 problem sets (at least)  
30%; 50%; 20%

- I. Introductory Overview: Supply and Demand, Mathematics and Economics, Chaps 1&2  
Through p.55 of Chap 2
- II. Utility and Consumer Choice, Chaps 3 & 4
- III. Income and Substitution Effects, Complements and Substitutes, Chaps 5&6
- IV. Uncertainty and Information; Game Theory, Chaps 7&8
- V. Firm Production, and Costs, Chaps 9-10
- VI. Profits, Supply, and Market Efficiency, Chaps 11-13

MIDTERM (about Oct 20)

- VII. Monopoly and Imperfect Competition, Chaps 14-15
- VIII. Labor and Capital Markets, Chaps 16&17
- IX. Market Failures, Chaps 18&19  
Asymmetric Information and Externalities

**FINAL EXAM: Friday, Dec 9, 11am-2pm** N.B. Make-ups for exams are available only with advance, prior, written permission from the professor.