

COURSE OUTLINE
Microeconomic Theory 3332

Professor S. Craig
Office: 202A, M

Hours: M,W 3-4:30pm;
or by appointment (send an e-mail)

Fall, 2011
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Required Text: B. Douglas Bernheim and M. Whinston
Microeconomics, 1st Edition

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. The only prerequisite for this course is “quantitative literacy.” This means either intro (Econ 2304), or that you can easily understand graphs, and simple algebra. The material in this course is a prerequisite to many advanced topic courses (4000 level) in economics. For good reason, it is fundamental to economic reasoning, and to making excellent decisions in any context. 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. Late work will be marked off. A midterm make-up is only available if arrangements are made in advance. Class attendance is mandatory. 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.

Course Requirements: 2 midterms, 1 final, 3 problem sets (at least)
40%; 45%; 15%

- I. Introductory Overview: Supply and Demand, Chaps 1&2
- II. Decisions Using Marginal Benefits and Marginal Cost, Chap 3
- III. Utility, Consumer Behavior and Individual Choice
 - A. Indifference Curves, Chap 4
 - B. Constraints, Choices, and Demand, Chap 5
 - C. Choice and Consumers’ Surplus, Chap 6

MIDTERM I (about Oct 1)

- IV. Firm Production, and Costs, Chaps 7-8
 - A. Isocost and Isoquant Curves, Cost Curves
- V. Profit Maximization, Competition and the Market, Chap 9
- VI. Decisions Over Time, Consumption, Interest, and Investment, Chap 10
- VII. Risk, Insurance, and Uncertainty, Chap 11

MIDTERM II (about Nov 1)

- VIII. Strategic Choice and Game Theory, Chap 12
- IX. Behavioral Economics, Chap 13
- X. Long Run Costs, Efficiency, and Competition, Chap 14
 - A. Labor Markets, Chap 14 Appendix
 - B. Monopoly, Chap 17
 - C. Oligopoly, Chap 19

FINAL EXAM: Monday Dec 12, 2pm-5pm. ***** N.B. There will NOT be make-ups for the final exam. Make-ups for mid-terms are available with advance, prior, written permission from the professor.