

ECO 301b - Intermediate Microeconomics

Syllabus Fall 2009

Department of Economics

American University in Bulgaria

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Coursepage: <http://www.geraldpech.net/lectures/eco301>

.LRN site ECO 301ab - Intermediate Microeconomics Forum

Classes:

	EC301a	EC301b
Monday	14:15 – 15:30	17:45 – 19:00
Wednesday		17:45 – 19:00
Thursday	14:15 – 15:30	
room	NAB 203	NAB 204

Office Hours: Tuesday 16:00 – 17:00 and Wednesday 14:30 – 15:30.

Course Description:

This course builds on EC 101 (Principles of Microeconomics) and extends the syllabus in depth and analytical demands. Specific topics include consumer behavior and market demand, choice under uncertainty, the firm and its technology, general equilibrium theory, market structure, asymmetric information and game theory.

The module aims at

- Mastering the standard tools and methods for microeconomic analysis
- Gaining a deeper understanding of how a market economy works
- Familiarity with simple calculus for solving microeconomic problems

Learning outcomes:

- Understand the basic concepts of consumer and producer theory
- Be familiar with the concept of exchange equilibrium
- Appreciate the market mechanism and its limitations
- Understand how oligopolistic markets differ from competitive ones
- Be familiar with the basic concepts of game theory
- Have an idea of the strengths and limitations of expected utility theory
- Understand the logic of models of moral hazard and adverse selection

Prerequisites:

The prerequisites for this course are ECO 101 and ECO 300.

Textbook:

Varian, Hal R., *Intermediate Microeconomics*. 7th or previous edition, 2006, W.W. Norton & Company, New York is available for leasing in the bookshop

Other recommended textbooks:

- Schotter, Andrew, *Microeconomics: A modern approach*, 3rd edition, Addison Wesley.
- Romp, Graham, *Game Theory: Introduction and Applications*, Oxford University Press 1997
- Dutta, Prajit K., *Strategies and Games: Theory and Practice*, MIT Press, 1999.

For other materials and sources please check out the coursepage.

Assessment:

I. Continuous Assessment:

Three Assignments	10%
Two Midterm Exams	50%

II. Final Examination: 40%

The exams cover what we have done in class. Each examination is scheduled for two full hours. For the dates of the two midterms see the course outline. The final exam will take place during the Final Exam Week.

Assignments may be handed in after the classes on the days when they are due (see the course outline). The overall mark on assignments which counts for 10% will be capped to be between 50% (worst) and 85% (best).

Any student whose final weighted average 85% or above will receive an A. Any student whose final weighted average is below 50% will receive an F.

Attendance:

I will take attendance from time to time, but not according to any pre-arranged schedule. If a student is absent at the time when attendance is taken, the absence is recorded. No excuse is considered. Students must be in class and ready to begin at the beginning of the class period, and prepared to stay until the end of the class period. The purpose of taking attendance is to document who attends regularly and who does not, and attendance will be taken often enough to give a clear picture of attendance. A single class absence will not affect your overall grade. In cases where a pattern of failure to attend classes becomes apparent I will subtract up to 5% from the final mark.

Self-Assessment questions and preparation:

In order to get the most out of the course you should read the chapters in advance and participate in the discussion in the class-room.

The self-assessment questions are designed for practicing problem solving skills and to repeat and deepen the class-room experience. Examples mentioned in class will often be reflected in a self-assessment question. Please attempt to solve the questions. We will discuss solutions relating to the last lecture at the beginning of each class. Guide line answers will be posted on .LRN soon after the classes. It is also recommended to do the exercises at the end of each textbook chapter. Further details will be given in class.

Tutorials:

I will give tutorials every Monday from 19:00 in NAB 204, starting in the fourth week of the semester. Attendance is voluntary. We will go through the self-assessment questions, the exercises at the end of the textbook chapters and anything that students might wish to discuss.

Academic Honesty:

Cooperation between students in doing the assignments is encouraged. Do not, however, try to cooperate during the exams! Any attempt at cheating will result in zero marks for the exam.

Course Outline:

Week	Date	Topic	Reading
week 1	31-Aug	Introduction	Chpt 1
	02-Sep	Introduction (cont.)	Chpt 1
Week 2	07-Sep	Budget Sets and Consumer Preferences	Chpt 2/3
	09-Sep	Budget Sets and Consumer Preferences	Chpt 2/3
week 3	14-Sep	Utility	Chpt 4
	16-Sep	Consumer Choice	Chpt 5
week 4	21-Sep	Consumer Demand	Chpt 6
	23-Sep	Revealed Preference	Chpt 7
week 5	28-Sep	Slutsky Equation	Chpt 8
	30 Sept	Consumer Surplus	Chpt 14
week 6	05-Oct	Exchange Equilibrium	Chpt 31
	05-Oct	Assignment 1 due	
	07-Oct	Exchange Equilibrium	Chpt 31
week 7	12-Oct	Technology	Chpt 18
	14-Oct	Midterm Exam I	
week 8	19-Oct	Cost Minimization	Chpt 20
	21-Oct	Choice under uncertainty	Chpt 12
week 9	02-Nov	Choice under uncertainty	Chpt 12
	04-Nov	Revision: Monopoly	Chpt 24
week 10	09-Nov	Oligopoly	Chpt 27
	09-Nov	Assignment 2 due	
	11-Nov	Oligopoly	Chpt 27
week 11	16-Nov	Game Theory	Chpt 28
	18-Nov	Midterm exam II	
week 12	23-Nov	Game Theory	Chpt 28
	25-Nov	Game Theory Applications	Chpt 29
week 13	30-Nov	Public Goods	Chpt 36
	30-Nov	Assignment 3 due	
	02-Dec	Asymmetric Information	Chpt 37
week 14	07-Dec	Asymmetric Information	Chpt 37
	09-Dec	Revision	

Disclaimer: This syllabus may be subject to pre-announced changes.