

Economics 1110
Intermediate Microeconomics
Fall 2008 - Course Syllabus

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Class Meetings: MWF, 11:00 – 11:50

TA sections: Thursday 12:00 - 12:50, in Wilson 309
Thursday 7:00 – 7:50, in Wilson Hall 309

Course Webpage: www.econ.brown.edu/faculty/Amy_Serrano/

Course Description:

In this course, we will explore the decision-making of consumers and firms, and examine how markets allocate resources. We begin by studying theories of the consumer and the producer. Next, we will combine both in the study of individual markets, including perfect competition, monopoly, and oligopoly. Following the study of individual markets, we will discuss how markets interact in the economy and emphasize the efficiency properties of the competitive system. The course will end with an analysis of some of the circumstances in which competitive markets may fail to produce efficient outcomes.

Prerequisites:

Economics 11 or equivalent, and Mathematics 9 or 10 or equivalent (calculus of one variable and, ideally, multivariable calculus).

Textbook:

The required textbook is Hal Varian's *Intermediate Microeconomics: A Modern Approach* (seventh edition), Norton 2006. Previous editions of the book are fine, but be sure to check section/chapter numbers. The accompanying exercise book by Bergstrom and Varian, *Workouts in Intermediate Microeconomics*, is recommended but not required.

Grading Policy:

The course grade will be divided into:

- 30 percent for the weekly homework assignments (due in class on Wednesdays)
- 30 percent for two midterm exams
- 40 percent for a cumulative final exam

Exam Dates:

Midterm 1: Wednesday, October 8
 Midterm 2: Wednesday, November 12
 Cumulative Final: Tuesday, December 16 (9 am)

Topics	Varian
Topic 1. Course Introduction	
Part I. The Theory of the Consumer	
Topic 2. Preferences	Chapter 3
Topic 3. Utility	Chapter 4
Topic 4. The Budget Set and the Budget Constraint	Chapter 2
Topic 5. Consumer Choice	Chapter 5
Topic 6. Demand	Chapter 6
Topic 7. Substitution and Income Effects	Chapter 8
Topic 8. Choice between consumption and leisure	Sections 9.8 and 9.9
Topic 9. Intertemporal choice	Chapter 10
Topic 10. Taxes and the Consumer Choice Model	Sections 2.6, 5.6, & 8.7
Topic 11. Consumer's Surplus	Chapter 14; Skip 14.8 – 14.11
Topic 12. Market Demand	Chapter 15
Part II. The theory of the Producer	
Topic 13. The technological constraints of the firm	Chapter 18
Topic 14. Cost Minimization and the Cost Function	Chapter 20 Skip 20.2
Topic 15. Cost Curves – Long Run and Short Run	Chapter 21
Topic 16. Firm Supply – Pure Competition	Chapter 22
Topic 17. Profit Maximization & the Value of Marginal Product	Chapter 19 Skip 19.11
Part III. Market Structures: Partial Equilibrium	
Topic 18. Industry Supply & Competitive Equilibrium	Chapters 16 & 23
Topic 19. Monopoly	Chapters 24 & 25
Topic 20. Oligopoly	Chapter 27
Part IV. General Equilibrium	
Topic 21. Exchange	Chapter 31
Topic 22. Production	Chapter 32
Part V. Market Failures	
Topic 23. Externalities	Chapter 34
Topic 24. Public Goods.	Chapter 36
Topic 25. Information	Chapter 37