Syllabus: Intermediate Microeconomics
Master in Social Sciences
IC3JM
Fall 2017

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Course Description

This course reviews the fundamentals of Microeconomics. Microeconomic Theory is based in the idea that consumers and firms try to do what is best for them given the incentives and restrictions of their economic environment. We will use mathematical tools to study consumers' and firms' behavior and the properties of the different market structures that result from the interaction of consumers and firms. We will deal with topics such as how consumers choose what to buy, how firms decide what to produce and how consumers and producers interact in the market.

Prerrequisites

Principles of Economics
Solid knowledge of Calculus and Algebra

Textbooks

 Hal Varian, "Intermediate Microeconomics: A Modern Approach", W.W.Norton

Course Outline

1. Introduction
   • Models and Markets, (Ch. 1)

2. Demand
   • Budget Constraint (Ch.2)
   • Preferences (Ch.3)
   • Utility (Ch.4)
   • Choice (Ch.5)
   • Individual Demand (Ch.6)
   • Revealed Preference (Ch.7)
   • Slutsky Equation (Ch.8)
   • Consumer Surplus (Ch.14)
   • Market Demand (Ch. 15)

3. Supply
   • Technology (Ch. 18)
   • Profit Maximization (Ch.19)
   • Cost Minimization (Ch. 20)
   • Cost Curves (Ch.21)

- Firm Supply (Ch.22)
- Industry Supply (Ch.23)

4. Markets
   - Equilibrium in Perfectly Competitive Markets (Ch. 16)
   - Monopoly (Ch.24, Ch. 25)
   - Imperfect Competition (Ch. 27, Ch. 28)

5. Market failures:
   - Externalities (Ch.34)
   - Public Goods (Ch. 36)
   - Asymetric Information (Ch. 37)

Grading Policy

Grading will be based on the grades obtained in the midterm (30%) and the final (40%). The additional 30% of the grade will be based on problem sets that will be handed out approximately every other week. The final exam will be cumulative. Students can work in groups on the problem sets but they must turn in their own write-up of each problem set. I will accept and grade late problem sets as long as you turn them in before the next class meeting, but in that case you will automatically lose 50% of the points on the problem set. Solving and understanding the problem sets is essential for mastering the material and is the best way to prepare for the exams. The weight put on the problem sets is aimed at highlighting their importance for success in this class.