

EC 201: Intermediate Microeconomic Analysis

Boston University Summer Term II 2016

Class times: Monday, Tuesday, Wednesday 1:00PM–3:30PM (July 5th to August 10th).

Note: Friday July 8th will replace the lost Monday on July 4th.

Location: [SHA 202](#), 928 Commonwealth Ave

Instructor: Christoph Walsh

Office Hours: Monday 9:00AM–10:30AM & Wednesday 10:00AM–11:30AM or by appointment

Office Hours Location: [SSW B16](#), 264 Bay State Road

Email: walshcb@bu.edu

Course Website: walshc.github.io/ec201

COURSE SUMMARY

The goal of the course is to examine the topics studied in Introductory Microeconomics (EC101) in more detail and with more rigor. This will continue to develop your economic intuition and expand your knowledge of the analytical tools useful in modeling consumer and firm behavior. A solid foundation in this course will greatly assist you in future economics courses, as the tools used here are building blocks for the tools you will use in the future.

We will begin by studying the foundations of the demand curve through individual consumption choice, along with intertemporal and risky choice. Analogously, we'll consider firms' choices of inputs and production quantities. Together, these will allow us to consider market equilibria. We will then study strategic interaction and use it to analyze various other market structures. Lastly we will look at settings where the market fails due to asymmetric information or failures of rationality.

TEXTBOOK AND MATERIALS

The main notes for the course will be written on the blackboard/whiteboard during class time. Problem sets, practice exams and extra notes will be posted on the course website. The required textbook for the course is:

VARIAN, HAL. R. (2014) *Intermediate Microeconomics with Calculus: A Modern Approach*, 1st edition, W. W. Norton & Company

The material covered in the course and the material in the book will be very similar and reading it will be a useful addition to your class notes. The book also contains problems and solutions which will be helpful for study.

PREREQUISITES

A sound understanding of the topics covered in EC101 will be crucial as we will be discussing some of those topics in greater detail. We will also use basic calculus, algebra, and graphing techniques very frequently,

which I will review on the first day. If you are uncomfortable with any of the topics covered on the first day, it is very important that come see me as soon as possible.

GRADING

- Attendance and Class Participation: 10%
- Problem Sets: 20%
- Midterm exam: 30%
- Final exam: 40%

Attendance and Class Participation (10%)

Attendance is extremely important. There are very few lectures relative to a regular term course and we will be covering a lot of material in each lecture. Thus, missing a class could result in falling behind rather quickly.

Throughout the course, I will also ask students (individually or in pairs) to lead a 5-10 minute discussion regarding applications of the material discussed in the book, and/or to lead the class through an assigned problem.

Problem Sets (20%)

Doing problems to practice the techniques is the only way to master the material in preparation for exams. The problem sets will also serve as a way to emphasize the important concepts that we discuss in class, as well as give you an opportunity to explore some issues at a deeper level. There will be one problem set each week and you will have a week to do each one. Since there are only two exams, problem sets will be graded and will serve as another way to evaluate your understanding of the material. You may work together, but each student must turn in their own copy and note somewhere on the assignment who you worked with. Additionally, if you choose to work with others, please ensure you fully understand everything so that you do not suffer during the exams.

Exams (70%)

The Midterm Exam will count for 30% and cover material from Days 1-9 on the outline below. The Final Exam will be cumulative and count for 40%. The exams are on July 25th and August 10th, respectively. There will be no make-up exams or extensions on the problem sets except in extreme cases.

OTHER ISSUES

I will be teaching the course on the blackboard/whiteboard because I believe that for this kind of material (involving lots of graphs and mathematics) this will be the easiest for students to follow. Therefore please

do not use laptops to take notes in class. It is very difficult and also distracting to transfer the mathematics and graphs to the computer, so your notes will suffer.

If you have a disability that allows you extra time on exams or any other accommodations, please give me a note from BU disability services as soon as possible after class starts so I can make arrangements.

The BU academic conduct code is in effect during this course. You can find the details spelled out here if you are not familiar: bu.edu/academics/policies/academic-conduct-code/

COURSE OUTLINE

The course consists of 18 days in the classroom. The following is a rough outline of the material we'll cover on each day, with the associated textbook chapters.

Day 1	Tues. July 5 th	Mathematics Review, The Budget Constraint (Mathematical Appendix, Ch. 2)
Day 2	Wed. July 6 th	Preferences and Utility (Ch. 3-4)
Day 3	Fri. July 8 th	Choice and Demand (Ch. 5-6)
Day 4	Mon. July 11 th	Intertemporal Choice (Ch. 10)
Day 5	Tue. July 12 th	Uncertainty (Ch. 12)
Day 6	Wed. July 13 th	Technology and Profit Maximization (Ch. 19-20)
Day 7	Mon. July 18 th	Cost Curves (Ch. 22)
Day 8	Tue. July 19 th	Firm Supply and Industry Supply (Ch. 23-24)
Day 9	Wed. July 20 th	Equilibrium (Ch. 16)
Day 10	Mon. July 25 th	Midterm Exam
Day 11	Tue. July 26 th	Demand Elasticities (Ch. 15)
Day 12	Wed. July 27 th	Monopoly (Ch. 25)
Day 13	Mon. Aug. 1 st	Monopoly Price Discrimination (Ch. 26)
Day 14	Tue. Aug. 2 nd	Game Theory (Ch. 29-30)
Day 15	Wed. Aug. 3 rd	Oligopoly (Ch. 28)
Day 16	Mon. Aug. 8 th	Oligopoly Collusion (Ch. 28)
Day 17	Tue. Aug. 9 th	<i>Exam Review</i>
Day 18	Wed. Aug. 10 th	Final Exam