

ECONOMICS 1100
INTERMEDIATE MICROECONOMICS

Fall 2009

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Course Description

Microeconomics is the study of individual economic units, such as households and firms, and how they interact to make trades and to determine prices. We attempt to understand these economic units by constructing what we think are reasonable representations of how they behave when confronted with economic decisions. Given these models of economic behavior, we can analyze the workings of the economy and the effects of policy. The scope of the issues that one can study with microeconomic tools is almost limitless - ranging from corporate mergers, to charitable giving, to marriage and child rearing, or even to topics like terrorism.

This course is an introduction to the basic tools of a micro economist. The primary objective of the course is to develop and understand these tools and to prepare students to take more advanced courses in economics like Labor, Industrial Organization, International Trade, and Public Finance. While we will often discuss real world applications of the models developed in class, it is important to keep in mind that this is a course about economic theory with the main purpose of sharpening your analytical skills as economists. By the end of the course you should not only have a deeper understanding of how economists analyze problems, but you should have skills to apply on your own.

Prerequisites:

Econ 0100 and Econ 0110 and a grade of C or better in either Math 0120 or Math 0220.

Required Texts:

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

Lectures:

Lectures are held on T-Th 9:30-10:45 or 11:00-12:15 am in 4900 WW Posvar Hall. Attendance to lectures is crucial to your success in this class

Grading:

The grades will be based on class participation (5%), homework (15%), two midterm exams (25% each), and a comprehensive final exam (30%).

Exam Dates:

Midterm I, Thursday, October 8

Midterm II, Thursday, November 12

Final, 9:30 am class Saturday, December 19, 2-3:50 pm

11:00 am class Wednesday, December 16, 12-1:50 pm

Make up exams:

Make up exams will only be given if you have a note from a doctor indicating that you were physically unable to take the exam at the scheduled time.

Homework:

Problems will be assigned on a weekly or biweekly basis and will always be collected at the beginning of class. Although students are required to hand in assignments individually, I strongly recommend that you form study groups to help each other through the homework assignments. Assignments and answer keys will be posted at <http://www.pitt.edu/~vester/econ1100.htm>

Office Hours:

Instructor: Tuesday 12:15-1:15, Thursday 8:15-9:15 am, 4916 WWPH

Teaching assistant: Monday and Wednesday 3:30-4:30 pm, 4909 WWPH

Cheating-Plagiarism at University of Pittsburgh:

Cheating/plagiarism will not be tolerated. Students suspected of violating the University of Pittsburgh Policy on Academic Integrity, noted below from the February 1974, Senate Committee on Tenure and Academic Freedom reported to the Senate Council, will be required to participate in the outlined procedural process as initiated by the instructor. A minimum sanction of a zero score for the quiz/exam/homework will be imposed.

Disabilities:

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both me and the Office of Disability Resources and Services, 216 William Pitt Union (412-624-7890) as soon as possible so that we can make the necessary arrangements.

Canceled classes:

Classes normally scheduled to meet Monday, October 12 will meet on Tuesday October 13. Tuesday classes will not meet on October 13. In addition Intermediate Microeconomics will not meet on October 1.

Topics and Chapters (if time permits)*

- (1) Introduction, Ch.1
- (2) Budget Constraint, Ch.2
- (3) Preferences and Utility (Ch.3 & 4), Math Appendix Included
- (4) Choice and Demand (Ch.5 & 6)
- (5) Slutsky Equation, Ch.8
- (6) Buying and Selling, Ch.9*
- (7) Intertemporal Choice, Ch.10*
- (8) Consumer's Surplus, Ch.14
- (9) Market Demand, Ch.15
- (10) Equilibrium, Ch.16
- (11) Auctions, Ch 17*
- (12) Technology, Ch.18*
- (13) Profit Maximization, Ch.19*
- (14) Cost Minimization, Ch.20*
- (15) Cost Curves, Ch.21
- (16) Firm Supply, Ch.22
- (17) Industry Supply, Ch.23 *
- (18) Monopoly and Monopoly Behavior (Ch. 24 & 25)
- (19) Oligopoly, Ch.27
- (20) Game Theory (Ch.28) and Game Applications (Ch. 29)
- (21) Uncertainty Ch 12*
- (22) Asymmetric Information Ch 36*
- (23) Externalities and Public Goods (Ch. 33 & 35)*