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:
Introductory Micro and Introductory Macroeconomics and one semester of calculus

Required Texts:

Lectures:
Lectures are held on T-Th 9:30-10:45 am in 207 Lawrence 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 5
Midterm II, Thursday, November 9
Final, Saturday, 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:
The instructor will hold office hours T-Th 8:15-9:15 am, 4925 WWPH or 4900 WWPH. The grader will hold office hours MW 3-4 pm, WWPH 4523

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.

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)*