EC 220104 Microeconomic Theory: Fall 2018

Instructor: Dimitar Simeonov
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Office Hours: Tuesday 12:00PM-2:00PM, or by appointment, Maloney 336

Course Overview: Microeconomic Theory is the study of individual decision making and its implications for market phenomena. The course develops the basic analytical tools used by economists to study economic decisions and market behavior. These are used to examine the behavior of consumers and firms, competitive markets, imperfectly competitive markets, and market failures.

Required Text: Hal R. Varian, Intermediate Microeconomics. A Modern Approach. Norton, 9th Edition. This text contains more material than we can cover, and we will select various pieces from it. We will sometimes go beyond the treatment offered in the text, both in terms of the depth of coverage and to include additional topics.

Grading: Your grade will be based on two in-class midterms (25% each), a final (35%), and homework assignments (15%).

Homework assignments will be given on a roughly weekly basis and will include problems designed to test your understanding of the basic material covered in the readings. No late submissions will be accepted without a valid excuse. When calculating your homework grade, I will drop your lowest homework score, effectively allowing you to miss a single homework without any consequences.

Class attendance and participation will be also evaluated at the end of the semester and will help me when assigning grades to the border cases.

Academic Integrity: It is expected that students will produce original work and cite references appropriately. Failure to reference properly is plagiarism. Scholastic dishonesty includes, but is not necessarily limited to, plagiarism, fabrication, facilitating academic dishonesty, cheating on examinations or assignments, and submitting the same paper or substantially similar papers to meet the requirements of more than one course without seeking permission of all instructors concerned. Scholastic misconduct may also involve, but is not necessarily limited to, acts that violate the rights of other students, such as depriving another student of course materials or interfering with another students work.

https://www.bc.edu/offices/stserv/academic/integrity.html

Request for Accommodations: If you have a disability and will be requesting accommodations for this course, please register with either Dr. Kathy Duggan (dugganka@bc.edu), Associate Director, Connors Family Learning Center (learning disabilities or AHD) or Dean Paulette Durrett, (paulette.durrett@bc.edu), Assistant Dean for students with disabilities, (all other disabilities). Advance notice and appropriate documentation are required for accommodations. For further information, you can locate the disability resources on the web at http://www.bc.edu/content/bc/libraries/help/tutoring/specialservices.html
**Tentative schedule:** This schedule is tentative and will be adjusted depending on speed of progress and students’ interests.

**Part I. Optimal Choice: the Consumers Problem (Aug 27 - Sep 17)**
- Budget Constraint (Varian, Chapter 2)
- Preferences and Utility (Varian, Chapters 3-4, Mathematical Appendix)
- Optimal Choice (Varian, Chapter 5)

**Part II. Demand and its Properties (Sep 19 - Oct 22)**
- Derivation of Demand Curves (Varian, Chapter 6)

**Midterm I Oct 3**
- Substitution and Income Effect, the Slutsky Equation (Varian, Chapter 8)
- Buying and Selling (Varian, Chapter 9)
- Market Demand (Varian, Chapter 15)
- Equilibrium (Varian, Chapter 16)

**Part III. Production Theory: the Problem of the Firm (Oct 24 - Nov 7)**
- Production Technologies (Varian, Chapter 19)
- Profit Maximization (Varian, Chapter 20)
- Cost Minimization and Cost Curves (Varian, Chapters 21-22)
- Firm Supply and Market Supply (Varian, Chapters 23-24)

**Midterm II Nov 14**

**Part IV. Other Forms of Market Structure (Nov 12 - Dec 5)**
- Monopoly (Varian, Chapters 25-26)
- Oligopoly (Varian, Chapter 28)
- Game Theory, Cournot Competition (Varian, Chapter 29, 30)

**Part V. Extra Topics - (if time allows)**
- Exchange, Equilibrium and Efficiency (Varian, Chapter 31)
- Intertemporal Choice (Varian, Chapter 10)
- Uncertainty, Risky Assets (Varian, Chapter 12,13)
- Externalities (Varian, Chapter 35)
- Public Goods (Varian, Chapter 37)
- Asymmetric Information (Varian, Chapter 38)

**Final Exam**
Mon, Dec 17 at 4:30 p.m.