

ECONOMICS 101A

Microeconomic Theory

Instructor: David Card
GSI: Daniel Hartley

Course Description and Reading List

This is a course in intermediate microeconomics, emphasizing the applications of calculus and linear algebra to the problems of consumer decision making, firm behavior, and market interactions. The text is Walter Nicholson *Microeconomic Theory: Basic Principles and Extensions* (Ninth Edition), which should be available at the campus book store. A more theoretical treatment of the same material is in Hal Varian's textbook, *Microeconomic Analysis* (3rd edition is most recent), published by Norton. Students who are thinking of pursuing graduate work in economics or other social sciences might find this a good investment.

The lectures will not follow the textbook very closely, although most of the same material will be covered. Lecture notes are available at Copy Central on the North Side of campus (2483 Hearst). Additional material and lecture updates will be passed out in class.

The class will consist of two lectures (Tuesday and Thursday, 12:30-2 in 247 Cory Hall) and one discussion section per week. The section times are:

Section 101	Monday/Wed	3-4pm	155 Barrows
Section 102	Monday/Wed	4-5pm	81 Evans Hall

The discussion sections will present some additional material (**for which all students will be responsible**) and will also cover the answers from problem sets, old exams, problems from the lectures, etc.

Weekly problem sets will be handed out, starting in the second week of the course. Problem sets are due at the end of the Tuesday lecture. **We will not accept late problem sets.** Instead, we will drop your two worst scores in calculating the problem set average score. Thus, you can miss up to 2 problem sets without any penalty.

Course grades will be determined by a combination of grades on weekly problem sets (20 percent), two midterm exam (15 percent each), and the final exam (40 percent). The midterm exams will be held in class, Thursday February 15 and Thursday March 22.

Economics 101A Spring 2007 Approximate Course Outline

Lecture	Content	Lecture Notes Reference	Text Reference	Suggested Problems in Text
1	Optimization Methods	1	Chapter 2	2.9, 2.10
2	Consumer Preferences and Consumer Choice	2	Chapter 3 Ch 4, pp. 94-105	3.2, 3.3, 3.8
3	Applications of Indifference Curve Analysis Expenditure Functions	3	Chapter 4 Ch. 5 Ex E.1	4.7, 4.8
4-5	Comparative Statics and the Slutsky Eq.	4	Chapter 5	5.4, 5.10
6	Market Level Demand and Supply	5	Chapter 10 pp. 292-295	10.4
7	Labor Supply	6	Chapter 16	16.2, 16.5
8	Intertemporal Consumption and Saving	7	Chapter 17	17.8, 17.10 (advanced)
9-11	Production and Cost Sheppard's Lemma	8, 9	Chapters 7-8 Example 8.4	8.9,8.10
12-13	Supply Determination	10-11	Chapters 9, 10	
14	Monopoly	12	Chapter 13	13.1, 13.2, 13.7
15	Consumer/Producer Surplus and Applications	13	Chapter 11 Ch. 10, pp. 306-308 Ch. 5, pp. 145-150	11.1-11.8
16-17	Duopoly	14,15	Chapter 14	14.2
18-20	Game Theory	16-17	Chapter 15	15.1, 15.4
21-24	Uncertainty	18-21	Chapters 18-19	18.5, 18.6, 18.7
25-26	Auctions	22-23	Ch. 15 Ex 15.9	15.12
27	Finance: CAPM and Efficient Markets	24-25		
28	Empirical Methods	26		