Course description
Microeconomics is the study of how individual economic units (households and firms) interact to determine outcomes (allocation of goods and services) in a market setting. This course further develops principles and analytical methods introduced by the Principles of Economics course. The first part of the course deals with consumer behaviour, market demand and the extent to which a consumer’s decisions can be modelled as rational. The second part of the course deals with the theory of the firm and the positive and normative characteristics of alternative market structures—perfect competition, monopolistic competition, oligopoly, pure monopoly, and, in resource markets, monopsony—are studied in depth. Finally, the efficiency of market outcomes is studied as well as situations (e.g. the presence of externalities) under which markets are not efficient. Part of the course is devoted to problem solving, in which students present solutions to specific case studies.

Learning Outcomes
- Understanding of the units of organisation and factors that interact to produce economic exchange within a market framework (e.g., consumers, households and firms)
- Recognition of and ability to analyse the workings of alternate market structures
- Ability to analyse the costs and benefits of specific modes of economic exchange
- Capacity to formulate and carry out case studies of microeconomic functioning

Requirements
Prerequisites
Students taking this class should have already successfully completed the classes “Mathematics for economics” and “Principles of Economics”. This course deepens our understanding of microeconomics discussed in the Principles class in a more detailed and formal fashion.

Textbooks
For this course, we will use the textbook “Microeconomics and Behaviour” by Frank/Cartwright (1st international edition, McGraw-Hill) and required readings will mostly be from this book (other editions of the book may be used as well but the course will refer to the edition specified here).

Attendance
Attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the grade for the course.

Assessment
Assessment will be based on attendance, preparation for classes, regular and active participation, problems sets, quizzes, as well as a mid-term (60 minutes) and a final examination (90 minutes). The problem set with the worst grade will not count towards the grade.

Policy on late submission of exercises
Exercises that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). After that, I will accept late submissions only until the end of the week in which they were due (Sun, 23:59), but these cannot receive a grade of higher than C. Thereafter, the student will receive a failing grade for the assignment.

**Grade breakdown**
- Seminar preparation and participation 10%
- Quizzes 20%
- Mid-term exam 20%
- Problem sets 20%
- Final examination 30%

**Schedule**
Classes start on Wednesday Sep 02 and run until Friday December 11, with fall break planned for Oct 19–23, 2015. Completion week will take place December 14–18.

The schedule provided is provisional in order to allow for flexibility. It is the students’ responsibility to keep themselves informed of any changes to the schedule provided here. An up-to-date schedule will be maintained by the course management in our google classroom system. Problem sets will be distributed and returned via google classroom, as will lecture slides. Please sign in for the course, using the following code: "wtowrj" (classroom.google.com)

Week 1 – Introduction/How economists think
Sep 02, Sep 04
Reading: Frank, Ch. 1

Week 2 – Revision: Supply and demand
Sep 09, Sep 11
Reading: Frank, Ch. 2

Part I – Theory of the consumer
Week 3 – Rational consumer choice
Sep 16, Sep 18
Reading: Frank, Ch. 3

Week 4 – Rational consumer choice; Individual and market demand
Sep 23, no class on: Sep 25, we will reschedule this session
Reading: Frank, Ch. 4

Week 5 – Individual and market demand
Sep 30, Oct 02
Reading: Frank, Ch. 4

Week 6 – Choice under uncertainty
Oct 07, Oct 09
Reading: Frank, Ch. 6
Week 7 – Choice under uncertainty and Mid-term
Oct 14, Oct 16 (Mid-term, Oct 16, 09:00-10:30 classroom)
Reading: Frank, Ch. 6

Part II – Theory of the firm and industrial organization

Week 8 – Theory of the firm: Production
Oct 28, Oct 30
Reading: Frank, Ch. 9

Week 9 – Costs
Nov 04, Nov 06
Reading: Frank, Ch. 10

Week 10 – Perfect Competition
Nov 11, Nov 13
Reading: Frank, Ch. 11

Week 11 – Perfect Competition; Monopoly
Nov 18, Nov 20
Reading: Frank, Ch. 12

Week 12 – Monopoly; Imperfect Competition
Nov 25, Nov 27
Reading: Frank, Ch. 13

Part III – Markets and Efficiency

Week 13 – Externalities
Dec 02, Dec 04
Reading: Frank, Ch. 16

Week 14 – Government; Review
Dec 09, Dec 11
Reading: Frank, Ch. 17

Week 15 – Completion Week (FINAL EXAM on Wed 16.12.2015, 13:30-15:00 classroom)

Classes missed due to federal holidays will not be rescheduled.

Problem set deadlines
Problem sets are due before class one week after being given.

(version: 16.08.2015)