

EC2010: INTERMEDIATE ECONOMICS
MODULE 2: MICROECONOMICS
(AS OF JANUARY 15TH, 2007)

COURSE DESCRIPTION:

As its name indicates, this course studies the theory and applications of microeconomics at an intermediate level. Recall that the purpose of microeconomics is to model economic activity as an interaction of individual economic agents pursuing their private interests under resource constraints. As such, it studies the economic behavior of consumers, workers, investors, business firms, managers, and any other individual or entity that plays a role in the functioning of the economy. Particular emphasis is placed on how such interaction allows the formation, operation and evolution of markets and industries.

We derive rigorously the intuitive results discussed in EC1010: Introduction to Economics, and discuss analysis of the firm, price and output determination in competitive and imperfectly-competitive markets, allocation of productive resources, and other current microeconomic problems. You will also understand why economists use certain mathematical tools. The tools presented in this course are essential for upper-level economics courses.

LECTURE MEETINGS:

Lectures are held Tuesdays from 10:00 AM to 11:00 AM, and Wednesdays from 5:00 PM to 6:00 PM in the Arts building, room 1008 (also known as The Edmund Burke Hall). The Microeconomics module starts January 10th (first week of Hilary term) and ends April 20th (third week of Trinity term).

Given that the lecture on January 9th was cancelled, we will recover it later in the semester, probably a Thursday at 6:00 PM after the Reading Week. I will make an announcement later in the term.

CLASS MEETINGS:

Marta Zieba and Pdraig Flynn are the teaching assistants assigned to this course. Tutorials will be held once a week, starting on Monday, January 15th. During tutorials, the teaching assistants will present problems similar to those in your assignments and/or some new material. They will also answer questions in a smaller group setting. Attendance is highly recommended, especially if you are having difficulty understanding the course material. A table at the end of the syllabus contains information about your TAs.

TEXTBOOK:

The main (required) textbook for the course is:

- David Besanko & Ronald Braeutigam, *Microeconomics*, John Wiley & Sons, 2nd Edition, 2005.

Copies of the book have been ordered in bookshops. The Study Guide associated with the textbook is recommended, but optional. My notes will follow the textbook fairly closely, but alternative textbooks that you may use “at your own risk” are:

- B. Curtis Eaton, Diane Eaton, & Douglas Allen, *Microeconomics: Theory With Applications*, Prentice Hall, 6th Edition, 2004.
- Robert Pyndick & Daniel Rubinfeld, *Microeconomics* Prentice Hall, 6th Edition, 2005.
- Andrew Schotter, *Microeconomics: a Modern Approach*, Addison Wesley, 3rd Edition, 2001.
- Hal Varian, *Intermediate Microeconomics: a Modern Approach*, W.W. Norton, 7th Edition, 2006.

COURSE WEBSITE

All documents (syllabus, lecture notes, assignments) will be posted at the course website. The link to that webpage is included in the slides for the first lecture. Notice that there will be NO link through my homepage at the Department of Economics.

ONLINE RESOURCES: APLIA

In addition to the textbook material, students are welcomed to subscribe to APLIA, an online service that provides interactive course tools to help better prepare you, including interactive assignments, experiments, news analysis, tutorials, and reports. To register, please follow the instructions in the last page. Please notice that the registration to this service is optional, but recommended, especially if you are struggling with the material.

GETTING HELP: OFFICE HOURS:

I hold office hours Mondays from 3:00 PM to 4:00 PM and Thursdays from 11:30 AM to 12:30 PM, in the Arts Building, room 3012. No appointment is necessary. Please feel free to drop by my office to ask questions, to make suggestions, or even just to introduce yourself. You can also contact me by e-mail at Martin.Paredes@tcd.ie to set up an appointment at another time.

In addition, your TAs will hold office hours in the Arts building, room 3002. Marta Zieba’s office hours are Mondays from 11:00 AM to 1:00 PM. Pdraig Flynn’s office hours are Fridays from 10:00 AM to 12:00 PM.

COURSE ASSESSMENT:

There will be two examinations for this module:

- Hilary term test:
Standard test on the material covered up to that week in this module. The exam will count for 20% of the overall grade for the Intermediate Economics course.
- Final exam:
The final exam is worth 60% of your overall grade for the Intermediate Economics course. The exam is comprehensive.

The three-hour annual examination contains five questions in the macroeconomics section and five questions in the microeconomics section. In **each section**, students must **answer one compulsory** question, and **select two more** questions out of the remaining four. In total, students must answer six questions: three from Macroeconomics and three from Microeconomics.

The following table provides an example. As said, a total of six questions must be answered. The student's choice are in italics: she answered the two compulsory questions and chose to answer question 3 and 5 in Macroeconomics, and questions 3 and 4 in Microeconomics.

| MACROECONOMICS | MICROECONOMICS |
|----------------------------|----------------------------|
| <i>Compulsory question</i> | <i>Compulsory question</i> |
| Question 2 | Question 2 |
| <i>Question 3</i> | <i>Question 3</i> |
| Question 4 | <i>Question 4</i> |
| <i>Question 5</i> | Question 5 |

If you miss a test or examination arising from illness, the usual rules regarding a medical certificate apply if you wish to be excused. A medical certificate must be supplied to the Department of Economics office within three days of the missed test or examination.

ASSIGNMENTS

I will assign several end-of-chapter problems from the textbook during the semester on a weekly basis. They will not be graded, but I strongly recommend you to solve them on your own. If you struggle in one question, you can ask your TA to solve it during class or during his/her office hours. In addition, you have questions from Aplia.

ATTENDANCE TO LECTURES

You are responsible for everything covered in lectures. If, for any reason, you have to miss a lecture, I encourage you to make prior arrangements with another student to take careful notes for you and to sit with you and explain their notes afterward. Please do not ask me to "fill you in" on what you missed.

Please arrive on time. There is absolutely NO chatting during lecture. Also, please turn off your cell phones. The lecture hall is very large, so procure NOT to sit in the back rows. If along the term I observe too many students in the back rows, I'll enforce a rule to prohibit it.

COURSE OUTLINE

Part I

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|-----------------------------------|---------------|
| 1. Introduction to Microeconomics | Ch. 1. |
| 2. Demand and Supply | Ch. 2. |
| 3. Consumer Theory | Ch. 3, 4 & 5. |

Part II

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|-------------------------------|---------------|
| 4. Production and Cost Theory | Ch. 6, 7 & 8. |
| 5. Perfect Competition | Ch. 9 & 10. |
| 6. Monopoly | Ch. 11 & 12. |

Part III

- | | |
|--|-------------|
| 7. Imperfect Competition, Game Theory and Strategic Behavior | Ch. 13 & 14 |
| 8. Risk and Information | Ch. 15 |
| 9. General Equilibrium Theory | Ch. 16 |
| 10. Externalities and Public Goods | Ch. 17 |

SCHEDULE OF CLASSES

| Day | Time | Location |
|-----------|----------------------|------------|
| Monday | 3:00 PM to 4:00 PM | Arts 4050B |
| Tuesday | 12:00 PM to 1:00 PM | Arts 4047 |
| Tuesday | 5:00 PM to 6:00 PM | Arts 3051 |
| Wednesday | 1:00 PM to 2:00 PM | AP2.03 |
| Thursday | 11:00 AM to 12:00 AM | Arts 5039 |
| Friday | 9:00 AM to 10:05 AM | Arts 3126 |

INFORMATION ABOUT YOUR TEACHING ASSISTANTS

| Name | E-mail | Office Hours |
|---------------|--|---|
| Marta Zieba | ziebam@tcd.ie | Mondays, 11:00 AM to 1:00 PM, Arts 3002 |
| Padraig Flynn | flynnpg@tcd.ie | Fridays 10:00 AM to 12:00 PM, Arts 3002 |



Student Registration and Payment Instructions

Course Name: Microeconomics (Besanko) 2007

Start Date: 01/08/2007

Professor: Martin Paredes

Course Key: 995J-KKAA-MN72

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.
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Registration

Registration Instructions

1. Connect to <http://www.aplia.com>.
2. Click the **System Configuration Test** link below the **Sign In** and **Register** sections to make sure you can access all of the features on Aplia's website. This takes just a few seconds and tells you how to update your browser settings if necessary.
3. Return to <http://www.aplia.com>.
 - If you have never used Aplia before, click the **New Student** button and enter your Course Key: **995J-KKAA-MN72**. Continue following the instructions to complete your registration.
 - If you have used Aplia before, sign in with your usual e-mail address and password and enter your Course Key when prompted: **995J-KKAA-MN72**. If you are not prompted for a new Course Key, click the **Enter Course Key** button to enroll in a new Aplia course. Enter your Course Key when you are prompted.
4. If you understand your payment options, pay now. Otherwise, postpone your purchase decision by choosing the option to pay later. Your payment grace period ends at the end of the day on 01/28/2007.

Payment

Pay Aplia Directly

- Purchase access to your course directly from Aplia on our website for \$35.00 USD.
 - The website includes content that has been customized for your textbook and course.