

Economics 80a

Microeconomic Theory

Lara Loewenstein

lloewens@brandeis.edu

Summer 2012

Mondays, Tuesdays, & Thursdays: 6:30–8:50pm

The Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions.

—John Maynard Keynes

Course Description

This course employs theoretical analysis to study various topics in microeconomics. We will cover topics such as consumer behavior, production and costs, partial equilibrium analysis under competitive and monopolistic markets, general equilibrium and welfare analysis, some of which you will have seen in an introductory economics class. We will use the tools we develop, along with some game theory, to study topics in information economics, externalities and public goods. The aim of this course is to provide you with the mathematical tools to structure and evaluate economic problems.

Prerequisites

ECON 8b, MATH 10a (or equivalent)

Please note that this class requires knowledge of calculus

Additional Class

Because of Memorial Day, we need to have a make-up class. It will be on June 6 at the usual time and place.

Course Materials

- Textbook: Hal R. Varian, “Intermediate Microeconomics: A Modern Approach”, 8th edition
- Course website: LATTE (<http://latte.brandeis.edu>)

Additional—Optional—Textbooks

- A bit more mathematical: Walter Nicholson, “Microeconomic Theory: Basic Principles and Extensions”

How to Contact Me

- Office Hours: Half an hour before and after class and by appointment.
- Email: I am available via email. I almost always respond within 24 hours, if not sooner. If I don’t respond within 24 hours, feel free to email me again.

Assignments

There will be weekly problem sets. You are encouraged to work with other students in the class, but you must write your answers independently. No late problem sets are accepted.

Exams

There will be a midterm and a final. The final exam is cumulative. There will be no make-up midterm. If you miss the midterm for legitimate reasons, the final will count additionally.

- Midterm: in class, June 18.
- Final: June 28, 6-9pm

Grading

- Problem Sets: 20%
- Midterm: 30%
- Final: 50%

Special Accomodations

If you are a student who needs academic accommodation because of a documented disability, please contact me and present your letter of accommodation as soon as possible. Letters of accommodation should be presented at the start of the semester to ensure provision of accommodations. Accommodations cannot be granted retroactively. If you have questions about documenting a disability or requesting academic accommodations, visiting students should contact:

Gwenn Smaxwill
Summer School director
781-736-3424
smaxwill@brandeis.edu

Current Brandeis undergraduates should contact Academic Services: 781-736-3470.

Academic Integrity

You are expected to be familiar with and to follow the University's policies on academic integrity. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University.

Course Outline

Subject to change.

Consumer Theory

Lecture 1: May 29

Required readings: Varian, Chapters 2 & 3

Supplementary readings: Varian, Chapter 1

Lecture 2: May 31

Readings: Varian, Chapters 4 & 5

Lecture 3: June 4

Readings: Varian, Chapter 6 & 14

Markets and Equilibrium

Lecture 4: June 5

Readings: Varian, Chapters 15 & 16

Lecture 5: June 6

Readings: Varian, Chapter 31

If we get ahead of schedule, we will try to include some of the following: Varian, Chapters 7, 8, 9, 10, 11, 12, 17, 35. Even if we don't get to them, they are worth reading.

Theory of the Firm**Lecture 6: June 7**

Readings: Varian, Chapters 18 & 19

Lecture 7: June 11

Readings: Varian, Chapters 20 & 21

Lecture 8: June 12

Readings: Varian, Chapters 22 & 23

Lecture 9: June 14

Readings: Varian, Chapter 24
(If we're getting behind, chapters will get dropped)

Lecture 10: June 18

Midterm

Lecture 11: June 19

Readings: Varian, Chapters 25 & 27

Game Theory and Behavioral Economics**Lecture 12: June 21**

Readings: Varian, Chapters 28 & 29
(and Chapter 30 in the next lecture)

The Role of Government and Market Failure**Lecture 13: June 25**

Readings: Chapters 30 & 34

Lecture 14: June 26

Readings: Chapters 36 & 37

Final Exam: June 28

6–9pm