

Intermediate Microeconomics (Undergraduate level)

Textbook:

Hal Varian: Intermediate Microeconomics: A Modern Approach, Norton, W. W. & Company, 2005

Tentative Class Schedule:

1. Introduction

Part I. The theory of the consumer

2. Preferences and Utility. (Chapters 3 and 4)
3. Budget constraint, optimization problem, individual demand function. (Chapters 2 & 5)
4. Demand curve. Normal and inferior goods, ordinary and Giffen goods, substitutes and complements. (Chapter 6)
5. Substitution and income effects. Ordinary demand, compensated demand and aggregate demand, elasticity. (Chapters 8 and sections 15.1,15.2,15.5,15.6).
6. Choice between consumption and leisure. (Section 9.8 and 9.9).
7. Intertemporal choice of consumption: savings, interest rates and present value. (Chapter 10)
8. Choice under uncertainty. (Chapter 12)

Part II. The theory of the producer

9. The technological constraints and production function, marginal product and average product. (Chapter 18)
10. Cost curves. (Chapters 20 and 21).
11. Profit maximization. (Chapters 19 and 22)

Part III. Market structures: partial equilibrium

12. Industry supply in the short and long run, tax and the deadweight loss. (Chapters 16 and 23)
13. Factor markets, Monopsony. (Chapter 26)
14. Monopoly & price discrimination. (Chapters 24 and 25)
15. Oligopoly, Stackelberg & Cournot model, collusion. (Chapters 27 and 28)

Part IV. General equilibrium

16. Exchange. Competitive or Walrasian equilibrium, the two fundamental theorems of welfare economics. (Chapter 31)
17. General equilibrium model of an economy with exchange and production. (Chapter 32)

Part V. Failures of the competitive mechanism

18. Externalities. (Chapter 34)
19. Public goods, the “free rider” problem. (Chapter 36).
20. Asymmetric information. Adverse selection and moral hazard. (Chapter 37)