

EC210 Microeconomics for Economics

Spring semester 2021

Seminar Leader: Israel Waichman

Course Times: Tue, Thu 14:00-15:30

Email: i.waichman@berlin.bard.edu

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 and the Mathematics for Economics courses. 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, monopoly (and possibly monopolistic competition and oligopoly). Finally, we study issues related to the efficiency of markets and to welfare economics.

Learning Outcomes

- Understand and be able to use microeconomic terminology.
- Understanding of the units of organization and factors that interact to produce economic exchange within a market framework (e.g., consumers, households and firms).
- Recognition of and ability to analyze the workings of alternate market structures
- Ability to analyze the costs and benefits of specific modes of economic exchange
- Use basic calculus to solve optimization problems faced by economic agents.
- Acquiring the skill of using graphics and mathematics for economics analysis.
- Understand the benefits and disadvantages of models as simplifications of reality.

Requirements

Prerequisites

Students taking this course should have already successfully completed the **Principles of Economics** and **Mathematics for Economics** courses.

Textbooks

For this course, we will use the following textbook:

Robert Frank and Edward Cartwright (2016) Microeconomics and Behaviour, (2nd international edition, McGraw-Hill

Other reading sources will be distributed during the course.

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 of the course.

SPECIAL CONSIDERATIONS FOR SPRING 2021: Some students might need to begin the semester remotely due to travel restrictions caused by the pandemic. In addition, all students and instructors must refrain from in-person attendance if they are feeling ill. Instructors should make efforts to offer alternatives to in-person attendance where needed, including remote participation or asynchronous options.

Use of cellphones and scientific calculators

cellphones are not allowed during the classes (not even as calculators). Please leave your cellphone in your bag during the classes. You are expected to bring scientific calculators to all classes

Assessment

Assessment will be based on the following three main components:

- Active participation , handing in problem sets, and in-class quizzes: 40%
- Midterm exam (60 minutes): 30%
- Final exam (90 minutes): 30%

Problem sets policy

Problem Sets are due one week after being given, (i.e., if I hand in a problem set on Thursday, the solution should be submitted to me exactly one week afterwards before the class on Thursday). Solutions to problem sets can only be submitted on an A4 paper. Make sure that your solutions are organized and clearly written.

Problem sets that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). After that, we 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.

Schedule

Classes start on Tuesday, Feb 2 and run until Tuesday, May 11, with spring break planned for Mar 29 - Apr 5. Completion week is from May 17 until May 21. Attendance is mandatory during completion week.

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. Lecture slides and problem sets will be posted in Google classroom (password will be given in the first class).

Part I – Introduction

Week 1 – Introduction/How economists think
Feb 2, Feb 4,
Reading: Frank, Ch. 1, Ch.2

Part II – Theory of the consumer

Week 2 – Rational consumer choice
Feb 9, Feb 11
Reading: Frank, Ch. 3

Week 3 – Rational consumer choice
Feb 16, Feb 18
Reading: Frank, Ch. 3

Week 4 – Rational consumer choice
Feb 23 Feb 25
Reading: Frank, Ch. 3

Week 5 – Individual and market demand
Mar 2, Mar 4

Reading: Frank, Ch. 4

Week 6 – Individual and market demand

Mar 9, Mar 11

Reading: Frank, Ch. 4

Week 7 – Individual and market demand **Midterm is planned to March 18 (but could be in another date, depending on the availability of the lecture hall).**

Mar 16, **Mar 18**

Reading: Frank, Ch. 4

Part III – Theory of the firm and industrial organization

Week 8 – Production

Mar 23, Mar 25

Reading: Frank, Ch. 9

Midterm break (Mar 29 - Apr 5)

Week 9 – Costs;

Apr 6, Apr 8

Reading: Frank, Ch. 9, 10

Week 10 – Costs ; Supply

Apr 13 Apr 15

Reading: Frank, Ch. 10

Week 11 – Supply and Perfect competition;

Apr 20, Apr 22

Reading: Frank, Ch. 11

Week 12 – Perfect competition; Efficiency and Social Welfare

Apr 27, Apr 29

Reading: Frank, Ch. 11, Ch. 12

Week 13 – Monopoly

May 4, May 6

Reading: Frank, Ch. 12

Week 14 – Monopolistic competition (optional) / Summary

May 11, **May 13 is a public holiday**

Final exam in the completion week (May 17 until May 21)

Classes missed due to federal holidays will not be rescheduled.

Professionalism

Being a student is your full-time job and with it come a set of responsibilities and expectations, as with any other job. Maintaining a professional attitude towards your course of study is something that also prepares you for later work life. A professional attitude towards your studies is shown by coming to class on time, being prepared, being courteous to your teachers and fellow students. It is exhibited by writing your essays with care, actively participating in class, avoiding distractions (excessive bathroom breaks, using smartphones to check on irrelevant issues during class etc.), not missing classes except for the most dire of circumstances and in general by adapting to the rules of the course without trying to bargain for personal exceptions.

Ethics/Academic honesty

A core value of the academy is truth and the pursuit thereof. Nothing can shake the foundations of this pursuit as much as academic dishonesty as it undermines the trust that is indispensable to it. This is why I will not excuse any instance of academic dishonesty. Plagiarism, cheating during exams, copying homework assignments (or doing individual assignments with a classmate) all constitute violations of academic honesty and of the clause on “academic integrity” that each student has signed in the student handbook. They can lead to failing the course and will be reflected in the student’s record (having a record of academic dishonesty can make obtaining scholarships, achieving a study abroad place or admission to another program difficult if not outright impossible).

(this version: January 7, 2021)