

EC210

Microeconomics for Economics

(Spring 2020)

Seminar Leader: Israel Waichman

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

Place: TBA

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Office hours: Tue 13:00-14:00, Thu 13:00-14:00 (Please make an appointment via E-mail)

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

- 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 course should have already successfully completed the Principles of Economics and Mathematics for Economics courses. This course deepens our understanding of microeconomics discussed in the Principles course 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).

I expect you to read the relevant chapters of the textbook before we meet in the classroom. Studying the textbook carefully will improve your understanding level and hence to your final grade. I will try to

cover all relevant topics in the course (although in the textbook you may find additional examples), yet, you are formally expected to read the relevant chapters - and that means that you may get an exam question that was more deeply covered by the book.

In addition, it is essential that you will repeat at home the material that we cover in class (including solving again all the exercises that we did in the classroom)!

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.

Use of cellphones

cellphones are not allowed during the classes (not even as calculators). Please leave your cellphone in your bag during the classes.

Calculators

You are expected to bring scientific calculators to all classes. Cellphones are not allowed in the classroom.

Assessment

Assessment is based on attendance, preparation for classes, regular and active participation, handing in group problems sets, quizzes, as well as a mid-term (60 minutes) and a final examination (90 minutes).

Grade breakdown

Seminar participation, handing in problem sets, and quizzes (a total of 40%)

Quizzes:

Problem Sets: Solutions to the problem sets should be submitted in pairs (the pairs should be fixed for the whole duration of the course. **They are due before class one week after being given**, i.e., if I hand in a problem set on Thursday, the solution should be in my post box 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.

- Mid-term exam 30%
Date and time: TBA (planned: at the end of week 7 or at week 8)
- Final examination 30%
Date and time: TBA

Schedule

Classes start on Tuesday Jan 28 and run until Thursday Mai 7, with fall break planned for April 6– April 10. Completion week will take place on Mai 11–15.

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

Jan 28, Jan 30,

Reading: Frank, Ch. 1, Ch.2

Part II – Theory of the consumer

Week 2 – Rational consumer choice

Feb 4, Feb 6

Reading: Frank, Ch. 3

Week 3 – Rational consumer choice

Feb 11, Feb 13

Reading: Frank, Ch. 3

Week 4 – Rational consumer choice

Feb 18, Feb 20

Reading: Frank, Ch. 3

Week 5 – Individual and market demand

Feb 25, Feb 27

Reading: Frank, Ch. 4

Week 6 – Individual and market demand

March 3, March 5

Reading: Frank, Ch. 4

Week 7 – Individual and market demand / Production

March 10, March 12

Reading: Frank, Ch. 4 /Ch.9

Part III – Theory of the firm and industrial organization

Week 8 –Production, **Midterm is planned to March 17 (but could be in another date, depending on the availability of the lecture hall) .**

March 17, March 19

Reading: Frank, Ch. 9

Week 9 – Production ; Costs;

March 24, March 26

Reading: Frank, Ch. 9, 10

Week 10 – Costs ; Supply

March 31, April 2

Reading: Frank, Ch. 10

Midterm break (April 6 –April 10)

Week 11 – Perfect competition;
April 14, April 16
Reading: Frank, Ch. 11

Week 12 – Perfect competition;
April 21, April 23
Reading: Frank, Ch. 11

Week 13 – Monopoly
April 28, April 30
Reading: Frank, Ch. 12

Week 14 –Efficiency and Social Welfare / Monopolistic competition / Summary
May 5 , May 7
Reading: Frank, Ch. 13

Final exam in the completion week (May 11 –May 15)

Classes missed due to federal holidays will not be rescheduled.

(version: January 6, 2020)