EC201 (Microeconomic Theory)   **Fall 2012**

Evan Gee   Email: evangee@bu.edu

Course Objective: The goal of this course is to teach you how to think rationally about the world and to give you a framework for examining how people, businesses, and governments make decisions. We'll study consumer theory and market demand, business decisions and market supply, and then a variety of market structures and market failures. If this all sounds a great deal like the description of whatever introductory level micro course you took there's a good reason – we're going to cover much of the same material, but with much greater depth and sophistication. In particular, calculus will be an important tool for both numerical solutions and proofs.

Required Text(s): None

Optional Text: Pindyck and Rubinfeld *Microeconomics*

I'll be working from the 7th edition of this text. The current version is the 8th edition but either should be fine. You do not need any of the online materials that some sources package with it.

Attendance: Class attendance is very important since it's the primary source of material for the problem sets and the exams. Since I vastly prefer rolling up my sleeves and writing on the board to power point presentations, I won't be posting any lecture notes online – if you miss a class you'll have to get notes from someone else.

Grading: There will be problem sets (20%), two midterms (25% each), and a final (30%).

- *Problem Sets* will be weekly and will be due **at the start** of class every Monday. Since we'll be going over the problem sets during that lecture, **no late problem sets will be accepted**. The first problem set will be a review of calculus and some other math just to make sure everyone is up to speed on the tools they need for the rest of the class.
- The Midterms will be in class on October 3 and November 7
- The Final will be in class on December17th and while it will mostly focus on the last part of the course, *it will be a cumulative exam*.

    No make-ups will be given for either the problem sets and/or the exams except in extreme cases of documented emergencies. The date for both the midterm and the final are set now, so please ensure that you don't have any conflicts.

Collaboration: You are allowed (encouraged) to work together on the problem sets, but expected to write up your work separately. If you do work with other people, please just note somewhere on your problem set who you worked with. Be careful of letting other people carry you through the problem sets, however, as they won't be there to help you on the exams.

The exams are not a group activity. I take cheating very seriously (as does BU), and anyone who does so will receive a zero for the exam in question. If you haven't, please take a moment to familiarize yourself

with the CAS Academic Code of Conduct which you can find online at
http://www.bu.edu/cas/students/undergrad-resources/code/

Disability Issues: If you have a disability that necessitates extra time for exams, or any other accommodations, you will need to give me a note from the BU Office of Disabilities Services *no later than October 1ˢᵗ* so that I can make arrangements.

Office Hours: My office hours will be Monday 4-5 and 2-3 on Fridays. If you can't make either day feel free to let me know why and I'll see what I can do about being on campus at some other mutually agreeable time. I'm also happy to try and answer a few questions here and there via email, though since the course will be relatively graph-intensive, plain text is often a poor way to convey information.

The School of Social Work (SSW) is 270 Bay State Road, just behind CAS. www.bu.edu/maps may prove helpful.

Course Website: I'll be using http://blackboard.bu.edu to post problem sets, answers, and things of that nature. If you don't have a BU account already, please contact the office of Information Technology to get one set up. If I need to make announcements outside of class I'll use email, so please ensure that you check or forward whatever email address you have with BU.

A Rough Course Outline:

September 5: Introduction, Calculus Review (Ch 1)
September 10: Supply & Demand, Equilibrium, Elasticity (Ch 2)
September 12/17: Consumer Behavior (Ch 3-4)
September 19/24: Behavior under Uncertainty (Ch 5)
September 16/October 1: Production Theory (Ch 6)
          Midterm Exam #1: October 3 in class
October 9/10: Cost of Production (Ch 7)
October 15/17/22: Perfectly Competitive Markets (Ch 8-9)
October 24/29/31: Monopoly & Price Discrimination (Ch 10-11)
November 5: Monopolistic competition (Ch 12)
          Midterm Exam #2: November 7 in class
November 12/14: Game Theory & Oligopoly (Ch 12-13)
November 26: Labor Markets & Capital Markets (Ch 14-15)
November 28: General Equilibrium (Ch 16)
December 3/5: Externalities & Public Goods (Ch 17)
December 10/12: Asymmetric Information (Adverse Selection & Moral Hazard) (Ch 18)
          Final Exam: Monday December 17 6pm-8pm