Intermediate Microeconomic Theory
Economics 3070-003

Professor M. J. Greenwood
Office: ECON 106
Office Hours: Tuesday and Thursday 3:30-4:45, and by appointment.

COURSE OUTLINE


Part I: Theories of Consumer Behavior and Demand
1. Introduction: Chapter 1
2. Utility and Choice: Chapters 3 and 6
3. Individual Demand: Chapter 4
4. Market Demand and Elasticity: Chapters 2, 4, and 5

Part II: Theories of Production and Cost
5. Production: Chapter 7
6. Costs: Chapter 8

Part III: Theories of Price and Output under Various Market Circumstances
7. Profit Maximization and Supply: Chapter 9
8. Perfect Competition: Chapters 9 and 10
9. Monopoly: Chapters 11 and 12
10. Imperfect Competition: Chapters 13, 14, and 15
11. Strategy and Game Theory: Chapter 14

Part IV: Other Topics
12. Pricing in Input Markets: Chapters 16, 17, and 18
13. General Equilibrium: Chapter 19

This course is divided into four sections. The first deals with theories of consumer behavior and demand. The second treats theories of production and cost. The third considers the firm under various types of market structure, including perfect competition, monopoly, and structures intermediate between these two extremes. The fourth part of the course focuses on factor markets and general equilibrium (as distinct from partial equilibrium, which is an implicit assumption in most of the earlier material of the course.) If time allows, we will also study externalities and public goods.
COMMENTS ABOUT THE COURSE
This course is essentially the language course of economics. The terms and concepts developed here are basic to economists in conversing with one another, and they underlie, in one way or another, much of economic theory and the policy implications that are derived therefrom. Economists often think of the terms and concepts of microeconomic theory as the nuts and bolts of economics, and they speak of the “tools” of economics or their “tool kit” in reference to the material of this course. Perhaps more importantly, we use these tools to better understand how economies such as that of the United States and other countries around the world, both advanced and less developed, operate.

My goal in this course is to convey to you an understanding of the basic tools of economic theory. The course could be taught with great emphasis on calculus, but that is not my approach. Rather, I emphasize diagrams. I expect you to understand the basics of numerous diagrams that, in pictures, reflect the concepts that are most important in intermediate microeconomic theory. To learn these many diagrams well, you must redraw and work with them. Many of the diagrams can be found on the web site (http://www.colorado.edu/Economics/courses/fall02-3070-003).

I do not enforce attendance, but from my 37 years of experience teaching intermediate microeconomic theory, I can say that I have never met a student who could do very well in this course without attending class regularly. Please come to class. Although many diagrams are available on the web, many others are developed only on the board.

EXAMINATION SCHEDULE/GRADING POLICY
Three major examinations will be given. The three exams will each cover approximately one-third of the course material and will count for 125 points each.

In addition to the three examinations, you will have a quiz worth 25 points. This quiz is set up exactly like the three examinations and is given one week before the first exam. The idea behind the quiz is to acclimate the student to the types of questions asked on the exams. Results of the quiz are factored into the student’s grade as a bonus. Typically, I do a review session before each examination, but please do not rely on these as a substitute for attending the lectures. It does not work.

Forty percent of each examination consists of multiple choice questions. Because students tell me that my multiple choice examination questions are much more difficult than those in the workbook, I offer a lengthy list of practice multiple choice questions, which you will find on the web site. Please use these questions.

NOTE: No makeup exams are offered and none will be scheduled.

Examination Schedule
Quiz: September 19
Examination #1: September 26
Examination #2: November 7
Examination #3: December 16 (11:30–4:00)