Course Description: Microeconomics is about how people and firms trade and transform resources. People work in exchange for money. They use the money to buy goods and services. Firms provide the goods and services, using various inputs including labor.

How does a consumer decide what to buy? How does a firm decide what to make? How does the economy coordinate so that firms produce what consumers want? Is a central planning agency required? Do prices contain enough information to coordinate markets? Can one person gain without harming another? Is international trade good or bad? In short, how does the economy work?

This course explores answers to some of these questions. We will begin with an overview of microeconomics. Then we will consider a model of consumer behavior. Then we will turn to a model of firms, and equilibrium with both firms and consumers. The last part of the course will be on selected topics in microeconomic theory.

Problem Sets: Several problem sets will be given. The problem sets are not going to be graded, but they are an integral part of the course. They are designed to help you to use the material, and a significant part of the exams will be based on them.

Grading: There will be three midterm exams. Each midterm will worth 100 points. You will be able to drop the lowest score. If you miss one midterm exam for any reason - and any reason is acceptable - then this midterm exam will be dropped. However, you can miss only one midterm. If you miss more than one midterm, then you will receive a zero score on each that you miss. There will be no make-up exams. Everyone must take the comprehensive final exam, which will worth 200 points.