TOPICS OF INTERMEDIATE MICROECONOMICS

(January 1999)

CONSUMER CHOICE AND DEMAND
--Consumer preferences.
--Indifference curves and utility.
--Maximizing utility under budget constraints: “Marginal rate of substitution = price ratio” rule.
--Demand curves/functions.
--Income and substitution effects.
--Inferior and normal goods.
--Consumer surplus.

PRODUCTION AND COST
--Production function.
--Isoquants and iso-cost curves.
--Minimizing production cost: “Marginal rate of technical substitution = factor price ratio” rule.
--Cost functions.

PERFECT COMPETITION
--Short-run supply functions.
--Entry.
--Competitive equilibrium.

MONOPOLY
--Maximizing profit: “Marginal revenue = marginal cost” rule.
--Monopoly inefficiency.

IMPERFECT COMPETITION
--Monopolistic competition.
--Oligopoly.
--Equilibrium under imperfect competition.
--Welfare properties of imperfectly competitive markets.

FACTOR MARKETS
--To be taught as a separate topic, or to be incorporated into other topics.

ECONOMIC EFFICIENCY
--Pareto efficient allocations.
--Competitive equilibrium and Pareto efficiency.
--Economic efficiency and public policy.