

Econ 410-007: Intermediate Microeconomic Theory

Fall 2007

TR 8:00 – 9:15, Gardner 209

Instructor: Ryan Goodstein
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Hours: TR 9:30 – 10:30 and by appointment
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Course Website: <http://www.unc.edu/~rmgoodst/econ410/Econ410.html>

Course Description

This course covers the basic tools used in microeconomic analysis. Topics of study include consumer theory, production and cost theory, and market structure.

Prerequisites

Both ECON 101 (Introduction to Economics) and MATH 152 or equivalent (Calculus) are required for this course.

Textbook

Besanko and Braeutigam's *Microeconomics* (2nd Edition)

Grading

There are 100 points possible in this course. There will be two midterm exams, each worth 25 points. The final exam is cumulative and worth 40 points. The remaining 10 points will depend on class participation and satisfactory completion of homework assignments. Answers to homework questions will be posted on the course website.

Exam Schedule

Exams will be given on the following dates.

Midterm Exam 1: September 25
Midterm Exam 2: November 13
Final Exam: December 13, July 27, 8am – 11am

There will be no make-up exams; if you miss a midterm the weight of the missed exam will be placed on the final exam. The final exam is mandatory.

Course Outline

The following is a tentative course outline. Depending on time, topics may be added or removed.

- I. Introduction
 - A. Overview of Economic Analysis (Ch 1)
 - B. Supply and Demand (Ch 2.1)
 - C. Elasticity (2.2 – 2.4)

- II. Consumer Theory

- A. Preferences and Utility Functions (3)
- B. Budget Constraints (4.1)
- C. Consumer Choice (4.2, 4.3)
- D. Revealed Preference (4.4)
- E. Demand Functions (5.1)
- F. Income and Substitution Effects (5.2)
- G. Consumer Surplus (5.3)
- H. Market Demand (5.4)
- I. Network Externalities (5.5)
- J. Labor and Leisure (5.6)

III. Production and Cost Theory

- A. Production Functions (6.1 – 6.4)
- B. Returns to Scale (6.5)
- C. Technological Progress (6.6)
- D. Costs and Cost Minimization (7)
- E. Cost Curves (8.1, 8.2)
- F. Economies of Scope (8.3)

IV. Market Structure

- A. Perfect Competition (9.1)
 - 1. Profit Maximization (9.2)
 - 2. Equilibrium Price (9.3, 9.4)
 - 3. Economic Rent and Producer Surplus (9.5)
 - 4. Applications (10)
- B. Monopoly & Monopsony
 - 1. Profit Maximization (11.1 – 11.3)
 - 2. Applications (11.4 – 11.6)
 - 3. Monopsony (11.7)
 - 4. Price Discrimination (12)
- C. Imperfect Competition
 - 1. Market Characteristics (13.1)
 - 2. Oligopoly (13.2 – 13.4)
 - 3. Monopolistic Competition (13.5)
 - 4. Game Theory and Strategic Behavior (14)

V. Topics

- A. General Equilibrium Analysis (16)
- B. Externalities (17)