Course description
This is a course for MA students with prior background in economics and mathematics. The goal of the course is to introduce students to the basic concepts and techniques used in microeconomic theory.

Instructor
Bjorn Persson, bpersson@bu.edu.
Office: 416B
Ph: 617 358 5926
Office hours: MW 5 – 6.30pm

Teaching Assistant
Saori Chiba, saoricb@bu.edu.
Office: B10
Ph: 617 353 5685
Office hours:

Text
Walter Nicholson and Christopher M. Snyder: *Microeconomic Theory: Basic Principles and Extensions, 10th edition, South-Western, 2007*. Each student should have access to a copy of the textbook. Copies have been ordered by the BU bookstore.

Problem sets
There will be a number of problem sets for this course. The deadlines for submission of the problem sets will be announced during the course. Late problem sets will not be accepted. Students may work on the problem sets in groups but are expected to submit individual copies of each problem set.

Examination
There will be problem sets, one midterm exam and one final exam. They will count to your final grades as follows:
Problem Sets: 20%
Midterm: 40%
Final: 40%

Make-up exams
No make-up exams will be given unless acceptable reasons can be provided as defined by the university.

Academic conduct
It is a student’s responsibility to know and understand the provisions of the CAS Academic Conduct Code (copies are available in room CAS 105). Cases of suspected academic misconduct will be referred to the Dean’s Office.
Course outline
The course will cover the areas listed below. Some deviations from the actual schedule may be necessary as the class progresses. Students are responsible for attending classes and learning of any changes in the schedule.

All chapters below refer to the textbook by Nicholson and Snyder.

I. Consumer choice
Preferences
Utility
Demand
Income and substitution effects
Readings: Ch 3,4,5,6

II. Producer choice
Technology
Profit maximization
Cost minimization
Firm supply
Readings: Ch 9,10,11

III. Competitive markets
Partial equilibrium
Pareto efficiency
Welfare analysis
General equilibrium
Exchange and production economies
Readings: Ch 12,13

IV. Market power
Game theory
Monopoly
Oligopoly
Monopolistic competition
Readings: Ch 8,14,15

V. Uncertainty and information
Expected utility
Risk aversion
Readings: Ch 7

VI. Asymmetric information
Adverse selection
Moral hazard
Readings: Ch 18

VII. Externalities
Consumption/production externalities
Coase theorem
Public goods
Vickrey-Clarke-Groves mechanism
Readings: Ch 19