# CAS EC 501 Microeconomics
## Syllabus
## Spring 2015

## Course description
This is a course for MA students with prior background in economics and mathematics. The objective of the course is to provide students with a rigorous introduction to the basic concepts and techniques used in microeconomic theory.

## Instructor
Bjorn Persson
Room 416B
270 Bay State Road
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Office hours: MW 5.00 - 6.30 pm

## Teaching fellow
Grace Wei Yu
Room B17
264 Bay State Road
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Office hours: Tuesday 1.00 - 2.30 pm

## Meetings
MW 12.30 – 2.00 pm in EPC 205

## Blackboard website
Blackboard Learn site ID: 15sprgcasec501_a1. Lecture slides and assignments will be uploaded to the course website.

## Text
Walter Nicholson and Christopher M. Snyder: *Microeconomic Theory: Basic Principles and Extensions*, 11th edition, South-Western, 2011. Each student should have access to a copy of the textbook. Copies have been ordered by the BU bookstore.

## Prerequisites
Students are expected to be familiar with multivariate calculus and constrained optimization.

## Academic conduct
It is a student's responsibility to know and understand the provisions of the CAS Academic Conduct Code. Cases of suspected academic misconduct will be referred to the Dean's Office.

## Classroom conduct and participation
Students are expected to attend all lectures. Each lecture will build on the knowledge acquired in the previous one and, if you miss a class, you are responsible for getting the lecture notes from your classmates. **Please do not use electronic devices such as phones, ipads, computers, etc. during the lectures.**

**Examination**
There will be one midterm exam and one final examination. The final exam covers material discussed after the midterm (That is, the final is not cumulative). The midterm exam will be held at the regular class time, and the final examination will be held at the regularly scheduled time shown below. This date and time cannot be changed. The location for the final examination will be announced later. Unless you have a documented health problem or family emergency, if you fail to take an exam, your score for the missed exam will be zero.
Grading weights:
Midterm : 40%
Final: 60%

**Exam dates**
Midterm: March 4, 12.30 – 2.00 pm
Final: May 7, 12.30 – 2.30 pm

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

**Homeworks**
A set of homeworks will be distributed throughout the semester. The homeworks will not count towards the final grade and need not be handed in. Solutions will be posted on the course website. At least one of the questions asked in the midterm and in the final will be taken from the homeworks.

**Course outline**
Below is a *preliminary* list of topics. 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*