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, bpersson@bu.edu
Room 416B
270 Bay State Road
Office hours: W 2.00 - 3.30 pm, Th 5 - 6.30 pm

Teaching fellows
Tak Lun Lester Chan, lctlabc@bu.edu
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Room B17C, 264 Bay State Road
Office hours: M 4.00 - 5.30 pm

Blackboard website
Lecture slides and assignments will be uploaded to the course website.

Text
Walter Nicholson and Christopher M. Snyder: *Microeconomic Theory: Basic Principles and Extensions*. 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 a set of home assignments, two midterm, and one final examination. Assignments and their due dates will be provided on the course website. The midterm exams 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. Students are expected to attend classes and work on the homework assignments independently. Please turn them in on time.

**Grading weights**
Assignments: 20%
Midterm 1: 15%
Midterm 2: 15%
Final Exam: 50%

**Exam dates**
Midterm 1: Oct 5
Midterm 2: Nov 9
Final: Dec 18 at 3:00 – 5:00 pm

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

**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, 17*

**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. Intertemporal decisions
   Intertemporal utility
   Discount factor
   Interest rates
   Consumption smoothing
   Readings: Ch 17

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

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