

CAS EC 501 Microeconomic Theory
Syllabus
Spring 2023

Course description

This is a Masters level course for 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
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Room 416B
270 Bay state Road
Office hours: M 2.00 - 3.30 pm and R 10.00 - 11.30 am

Teaching fellow

Xinyuan Chen
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Room B17
264 Bay State Road
Office hours: TW 3.30 - 5.00 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 fellow students.

Examination

There will be a set of home assignments, one midterm, and one final examination. Assignments and their due dates will be provided on the course web site. Students are expected to work on the homework assignments independently. Please turn them in on time - no late homeworks will be accepted.

Grading weights

Assignments: 20%

Midterm: 30%

Final Exam: 50%

Exam dates

Midterm: 3/1

Final: TBA

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. Uncertainty and information

Expected utility

Risk aversion

Insurance

Readings: Ch 7

V. Market power

Game theory

Monopoly

Oligopoly

Monopolistic competition

Readings: Ch 8,14,15

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