CASEC 501 Microeconomic Theory
Syllabus
Spring 2025

Course description
This is a graduate course in microeconomics intended for MA students with a solid background in both economics and mathematics. The objective of the course is to provide students with a rigorous treatment of the basic concepts and techniques used in microeconomic theory.

Instructor
Bjorn Persson
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Office 416B, 270 Bay State Road
Office hours: Mon 2.00 - 3.30 PM and Thu 10.00 - 11.30 AM

Teaching fellow
Jerray Chang
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Office B06, 270 Bay State Road
Office hours: Tue 1.00 - 2.00 PM

Discussion sessions
Fri 10.10 - 11.25 AM (selected weeks)
CAS B20, 685-725 Comm Ave

Blackboard website
Lecture slides and problem sets 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
EC201 and EC505 (or equivalent).

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 and actively participate in all lectures.

Examination
There will be problem sets, one midterm exam, and one final examination. Unless you have a documented health problem or family emergency, if you fail to take a test, your score for the missed test will be zero. Please observe that the final exam date cannot be changed.

Examination policy
Please note that the following rules apply in all exams:

- No phones, communication devices, or watches (of any type) may be accessible during an exam. Students must stash them in bags or leave them with the proctors before exams are distributed.
- BUIDs are checked at every exam.
- Bathroom brakes are not allowed.
- The course instructor reserves the right to replace individual written exams with oral exams.
- Students may be moved during exams to ensure academic integrity.

Problem sets
Problem sets and their due dates will be provided on the course web site. Students are expected to work on the problem sets independently. Solutions to the problem sets will be provided in the discussion sessions.

Grading weights
Class participation and problem sets: 30%
Midterm exam: 30%
Final exam: 40%

Exam dates
Midterm: 3/5 in class
Final: 5/7 12.00 - 2.00 PM (tentative)

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

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

III. Competitive markets
Aggregate demand and supply
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