

CASEC 501 Microeconomic Theory

Syllabus

Fall 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 hours: MW 2.00 - 3.30 PM

Teaching fellow

Jerray Chang

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Office: B06, 264 Bay State Road

Office Hours: TBD

Discussion sessions

F 2.30 - 3.20 PM (selected weeks)

CAS B12, 685-725 Comm Ave

Blackboard website

Lecture slides and problem sets will be uploaded to the course website.

Text

Nicholson and 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:

<https://www.bu.edu/academics/policies/academic-conduct-code>

The CAS Academic Conduct Code is strictly enforced, and all cases of suspected academic misconduct will be referred to the Dean's Office.

Religious observance

This course follows BU's policy on religious observance, available at:

<http://www.bu.edu/ctl/university-policies/policy-on-religious-observance>

Classroom conduct and participation

Students are expected to attend and actively participate in all lectures and attendance will be taken at all lectures. Your regular attendance and participation are essential both to your own learning and to that of your fellow students. You may miss three classes for whatever reason without penalty. More than three absences will start affecting your grade negatively, and nine or more absences will lead to a failing grade. If you have a special obligation that will require you to miss several classes (e.g., varsity athletics, religious observances), please talk with me at the beginning of the semester. Please notify me of any foreseeable absence by email (preferably in advance) so I can try to help you make up what you miss.

Examination

There will be bi-weekly (approximately) problem sets, one midterm exam, and one final examination. There will be no make-up exams. Please observe that the final exam date cannot be changed. Problem sets and their due dates will be provided on the course web site. You are encouraged to work together on the problem sets but all students must write up their own copy of the solutions and be responsible for the contents.

Grading weights

Problem sets: 20%

Midterm exam: 30%

Final exam: 50%

Exam dates

Midterm: Th 10/23 in class

Final exam: TBA

Exam 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.
- Only scientific calculators are allowed. Any other device will be confiscated and returned after the exam.
- BUIDs are checked at every exam.
- Bathroom breaks 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.

Artificial intelligence

Generative AI tools are available and students are expected to learn how to use them. Note the following:

- All content produced must be critically analyzed - do not automatically assume the output provided is correct

- Use of AI must be properly acknowledged. Failure to disclose and cite sources will be considered a violation of academic integrity.
- I reserve the right to put any material you hand in through plagiarism detection software.

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

I. Consumers

Preferences

Utility

Demand

Income and substitution effects

Readings: Ch 3,4,5

II. Producers

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