

UCM

**Intermediate Microeconomics
Course Manual: SSC2048**

October 10, 2017

Andrew Mackenzie

1 Introduction

Economists study the production and allocation of scarce resources, and one of their primary tools for doing so is *microeconomic analysis*. This methodology starts from the idea that, within a given institutional framework, economic outcomes are the product of choices made by many different individuals. With the *micro* approach, economists first study individual decisions, then study how these decisions collectively lead to broader outcomes in society.

In this course, you will be provided with tools to perform this kind of analysis, with an emphasis on the analysis of markets. For example, we will work closely with mathematical models of how consumers and producers respond to prices, as well as models of which prices they may face—both when the market is competitive and when there is a monopolist who sets the prices. We will also consider several criteria for comparing economic outcomes, and use them to assess various kinds of market regulations. As time allows, we may relax some standard assumptions to cover interesting situations that are not covered by our starting models, or we may consider institutions other than markets (such as elections).

Ultimately, this is a course about techniques. The purpose of this course is not to provide you with answers to questions of economic policy, but rather with the techniques to rigorously form your own answers.

2 Textbook

I will be using *Intermediate Microeconomics: A Modern Approach (Eighth Edition)* by Hal Varian as a guide for my lessons. The textbook is not required, but would certainly be very useful as a complement to the lessons.

3 Determination of Course Grade

There will be three Problem Sets worth 15% each, a midterm worth 25%, and a final worth 30%. The midterm and final are both cumulative.

For Problem Sets: these are, essentially, take-home exams. Each is due one week from the date it is assigned, and involves topics covered between the assignment date and the due date. You may work in pairs; simply submit a single document with both names. There is a 15% penalty for each day late. Please note that Problem Sets without staples will not be accepted.

4 Course Coordinator

Andrew Mackenzie is the course coordinator and tutor.

- **Office:** A4.18 in Tongersestraat 53 (*perhaps temporarily; you will be kept updated!*)
- **Office hours:** By appointment
- **Email:** a.mackenzie@maastrichtuniversity.nl

5 Organization and Content

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
30 Oct <i>PS1 assigned</i>	31 Oct	1 Nov	2 Nov	3 Nov	4 Nov	5 Nov
6 Nov PS1 due <i>PS2 assigned</i>	7 Nov	8 Nov	9 Nov	10 Nov	11 Nov	12 Nov
13 Nov PS2 due	14 Nov	15 Nov	16 Nov	17 Nov	18 Nov	19 Nov
20 Nov	21 Nov	22 Nov	23 Nov Midterm	24 Nov	25 Nov	26 Nov
27 Nov <i>PS3 assigned</i>	28 Nov	29 Nov	30 Nov	1 Dec	2 Dec	3 Dec
4 Dec PS3 due	5 Dec	6 Dec	7 Dec	8 Dec	9 Dec	10 Dec
11 Dec	12 Dec	13 Dec	14 Dec Final Exam	15 Dec	16 Dec	17 Dec

Each week has one lecture and two tutorials, except for the 4th week (when there is a Midterm) and the 7th week (when there is a Final Exam). The tentative plan is to cover one to two chapters from the textbook each day that we meet, emphasizing the core chapters from the textbook:

Budget; Preferences; Utility; Choice; Demand; Consumer's Surplus; Market Demand; Equilibrium; Exchange; Technology; Profit Maximization; Cost Minimization; Cost Curves; Firm Supply; Industry Supply; Monopoly; Externalities; Public Goods

As time allows, other advanced topics may be chosen based on the interests of the class and the instructor. Some possibilities include game theory, oligopoly, mechanism design, auctions, uncertainty, and revealed preference.