1) Supply and Demand

1. Definitions of “demand curve”;
2. The effect of price changes, i.e. movements along the curve;
3. The effect of changes in other factors (what other factors?), i.e. shifts of the curve;
4. Definitions of “supply curve”;
5. The effect of price changes, i.e. movements along the curve;
6. The effect of changes in other factors (what other factors?), i.shifts of the curve;
7. Plotting specific linear demand and supply curves;
8. Market equilibrium, equilibrium price, equilibrium quantity, surplus and shortage;
9. Finding the market equilibrium graphically and mathematically;
10. Definition and meaning of price elasticity of demand and supply;

2) Consumer Preferences

1. The definition of utility;
2. Properties of consumer preferences;
3. Definition of “indifference curve”;
4. Properties of indifference curves ( why indifference curves have these properties, as we did in class);
5. Definition and meaning of the marginal rate of substitution (MRS);
6. Explain why the MRS goes down (in absolute value) as we move down an indifference curve;
7. Definitions of utility and utility function;
8. Definition and meaning of “marginal utility” of a good;
9. Computing marginal utility and MRS in practice;

3) Budget Constraints

1. Definition of budget constraint and budget line
2. The equation of the budget line
3. Plotting the budget line: the horizontal intercept, the vertical intercept and the slope
4. The effect of a change in the price of one good
5. The effect of a change in income

4) Consumer Choice

1. Finding the optimal consumption basket using indifference curve and budget constraint.
2. Definition of price elasticity;
3. Computing price elasticity;
4. Elastic and inelastic demand functions.
5. Definition of income elasticity
6. Inferior good or Normal good
7. Definition of cross-price elasticity
8. Complements and substitutes

5) Theory of the Firm: Production with One Variable Input (Short-run production)

1. Factors of production
2. Production Function
3. Variable inputs vs fixed inputs
4. Short run vs. long run production
5. Production with One Variable Input (Labor) in the short run
6. Marginal and Average Products of Labor
7. Average Product and Marginal Product of an input
8. The relationship between AP and MP
9. Definition of isoquant curve
10. Properties of isoquant curve
11. Definition of Marginal Rate of Technical Substitution
12. How to calculate Marginal Rate of Technical Substitution
13. Definition of isoquant curve
14. Cost minimization ( MRTS and price ratios)
15. Increasing, decreasing and constant Returns to Scale
16. Accounting vs. Economic Cost
17. Types of short-run cost
    1. Fixed, Variable and Total Costs
    2. ATC, AFC, AVC
    3. The relationship between marginal and average cost
18. The shapes of the cost curves
19. Costs in the Long Run

6) Profit-maximizing Output in a Perfectly Competitive Market

1. Definition Perfectly Competitive Markets
2. Aggregate vs Individual
   1. Aggregate demand curve
   2. Demand curve faced by the firm
   3. Individual Supply Curve
   4. Aggregate supply curve
3. Marginal Revenue and Marginal Cost
4. The Profit-Maximization Rule: MR=MC
5. MR and demand curve that a competitive firm faces
6. Short-run: Identify the Profit-Maximizing output graphically and mathematically
7. The Short-Run Supply Curve
8. The shut-down rule in the short run
9. Computing profits/losses
10. Deriving the Short-Run Market Supply Curve
11. When should the firm shut down and exit the market?
12. Profits in the long run
13. Shut-down rule in the long run
14. Going from individual supply to the market supply
15. Who suffers most from a sales unit tax?
16. Can prot exists for perfect competitive market?

7) Monopoly

1. Market Power and Monopoly power
2. The demand curve faced by a monopolist
3. The Marginal Revenue curve of a monopolist (MR < P)
4. Monopoly: The monopolist’s profit-maximizing price and quantity (in a graph and mathematically)
5. Comparison of Monopoly and Perfect Competition
6. Sources of Market Power

8) Price Discrimination

1. Definition of price discrimination.
2. Definition of first-degree price discrimination
3. Definition of second-degree price discrimination
4. Definition of third-degree price discrimination
5. Keys to price discrimination
6. How monopolistic firms determine their prices and quantities if they can sell their product in two segmented markets?
7. The relation between price discrimination and price elasticity
8. Peak load pricing
9. Multi-part tariffs

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