

Timothy Halliday
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Fall 2008

Economics 301
Intermediate Economics: Price Theory

Outline: This is a course in neoclassical microeconomic theory. Its pre-requisite is ECON 130: Principles of Economics. There will be four parts to this course. The first will focus on the behavior of consumers. The second will focus of the behavior of firms. The third will exam competitive equilibrium. We will conclude the course by going beyond the basic model and examining the problems of uncertainty and market failure.

Objectives: After the course, students will be able to:

- Assess the impact of economic policy using supply and demand analysis
- Decompose price changes into substitution and income effects
- Derive demand and supply schedules from 1st principals
- Determine prices under perfect and imperfect competition
- List conditions under which perfect competition does and does not obtain
- Discuss policies that can rectify market failures

Text: *Intermediate Microeconomics: A Modern Approach, 7th Edition* by Hal Varian, Norton, 2005

Grading: Midterm 1 - Sep 30, 2008 - 20% or 30%
Midterm 2 - Nov 13, 2008 - 20% or 30%
Problem Sets and Quizzes - 20%
Final Exam - 30%

The highest score of the two midterms will get weighted 30%. There may be some quizzes that will be assigned randomly. Attendance is not mandatory, but if you miss a quiz then you fail. Exams and quizzes will only be made-up with a legitimate medical excuse.

Office Hours: Friday 1:30 - 3:00 or by appointment

Schedule

August 26	Review of Economic Principles (Ch. 1)
August 28	Review of Economic Principles (Ch. 1)
September 2	Budget Constraint (Ch. 2)
September 4	Preferences (Ch. 3)
September 9	Utility (Ch. 4)
September 11	Choice (Ch. 5)
September 16	Demand (Ch. 6)
September 18	Slutsky Equation (Ch. 8)
September 23	Consumer Surplus (Ch. 14)
	Problem Set 1 Due
September 25	Review
September 30	Midterm 1
October 2	Labor Supply (Ch. 9)
	Review Midterm Solutions
October 7	Uncertainty (Ch. 12)
October 9	Technology (Ch. 18)
October 14	Profit Maximization (Ch. 19)
October 16	Cost Minimization (Ch. 20)
October 21	Cost Curves (Ch. 21)
	Problem Set 2 Due
October 23	Firm Supply (Ch. 22)
October 28	Industry Supply (Ch. 23)
October 30	Monopoly (Ch. 24)
November 4	NO CLASS
November 6	Review
November 11	NO CLASS
November 13	Midterm 2
November 18	Price Discrimination (Ch. 25)
	Review Midterm Solutions
	Problem Set 3 Due
November 20	Oligopoly (Ch. 27)
November 25	Game Theory (Ch. 28)
November 27	NO CLASS
December 2	Exchange (Ch. 31)
December 4	Production (Ch. 32)
December 9	Externalities (Ch. 34)
December 11	Public Goods (Ch. 36)