ECON 301(Section 002)
Intermediate Economics: Price Theory
UHM Foundations Course: Symbolic Reasoning (FS)
http://www.hawaii.edu/gened/foundations.htm

Fall Semester, 2006
Lecture: MWF 12:30-1:20 PM
Room: CR (Crawford Hall) 115

Instructor: Nori Tarui
Office Hours: T 1:30-2:30 PM
F 1:30-3:00 PM and by appointment
Office: Saunders Hall 509
Phone: 956-4703
E-mail: nori.tarui@hawaii.edu

Course Description
Individuals, firms, governments and other institutions face decision-making problems on a daily basis given various resource constraints. Microeconomics (or "price theory") describes the trade-offs faced by these decision makers in trying to get the most out of their limited resources. We will discuss the concept of optimal trade-offs as they relate to individuals and to groups within the economy. We will also examine the consequence of interactions among consumers, firms, and the government in a market economy.

Prerequisites
Students should have completed ECON 130 Principles of Economics (Micro).

Course Materials
Required textbook: *Microeconomics*, 6th edition, by Pindyck and Rubinfeld, 2005, Pearson Prentice Hall, available at the UH Bookstore. Upon request, I will put one copy on reserve at Sinclair Library.
Textbook website: www.prenhall.com/pindyck
Online supporting materials at Aplia.com*

*In order to complete certain assignments, you will be required to access a website dedicated to students and professors of economics. To access this website, you need to register for an account with Aplia at http://econ.aplia.com. In the first week of class, I will provide you with an instruction sheet as well as a course key so that you can register. Please register on the website within 48 hours after I pass out the course key. (Though you need to pay to have this access, you will find that the Aplia online resources are very useful!)

Grading

Problem Sets (including those at Aplia.com)*	20%
Attendance & Class Participation	10%
First Mid-Term Exam (Early October)	20%
Second Mid-Term Exam (Mid November)	20%
Final Exam	30%
TOTAL	100%

*The worst two scores of your problem sets will not count towards the final grade.

Tentative Course Schedule

We will follow the textbook by Pindyck and Rubinfeld.

I: INTRODUCTION: MARKETS AND PRICES.
1. Preliminaries.

2. The Basics of Supply and Demand.

II: PRODUCERS, CONSUMERS, AND COMPETITIVE MARKETS.
3. Consumer Behavior.

4. Individual and Market Demand.

5. Uncertainty and Consumer Behavior.

6. Production.

7. The Cost of Production. (7.1-7.4)

8. Profit Maximization and Competitive Supply.

9. The Analysis of Competitive Markets.

III: MARKET STRUCTURE AND COMPETITIVE STRATEGY.
10. Market Power: Monopoly and Monopsony.

11. Pricing with Market Power. (11.1-11.3)

12. Monopolistic Competition and Oligopoly.

13. Game Theory and Competitive Strategy.

IV: INFORMATION, MARKET FAILURE, AND THE ROLE OF GOVERNMENT.
16. General Equilibrium and Economic Efficiency.

17. Markets with Asymmetric Information.

18. Externalities and Public Goods.

We will skip chapters 14 (Markets for Factor Inputs) and 15 (Investment, Time, Capital Markets).