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
 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.

III: MARKET STRUCTURE AND COMPETITIVE STRATEGY.
12. Monopolistic Competition and Oligopoly.

IV: INFORMATION, MARKET FAILURE, AND THE ROLE OF GOVERNMENT.
17. Markets with Asymmetric Information.

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