Microeconomic Theory
440.601.52

Course Outline
This course is about human decision making in the face of scarcity. Topics include: choice and demand; production and cost; the firm and market structure; and market failure. Game theory is introduced, as is uncertainty and asymmetric information.

Course Requirements
Problem sets, midterm exam, and final exam will each account for $\frac{1}{3}$ of the grade. Six problem sets will be handed out; each is due at the following class meeting. You are encouraged to work on the problem sets in groups of three. Each group need hand in only one neat and legible copy of the answers. Therefore, groups must remain stable, and late homework is not accepted. Class participation is welcome anytime.

Contact
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Prerequisites
*Principles of Microeconomics*, and 440.304 *Math Methods*, or equivalent.

Textbook, Readings

Weekly Topic Schedule

Math Review: As needed from N & S: 2.

1. Introduction, Supply and Demand.
   N & S: 1.

2. Theory of the Consumer
   Preferences and Utility—N & S: 3.
Homework I handed out. Due next class meeting.

3. Theory of the Consumer
   Income and Substitution Effects—N & S: 5.
   Homework II handed out. Due next class meeting.

4. Theory of the Firm
   Production—N & S: 9.
   Cost—N & S: 10.
   Homework III handed out. Due next class meeting.

5. Theory of the Firm
   Profit Maximization—N & S: 11.
   Perfect Competition—N & S: 12

6. Factor Markets
   Labor—N & S: 16
   Capital—N & S: 17

7. MIDTERM EXAM

   Homework IV handed out. Due next class meeting.

   Homework V handed out. Due next class meeting.

    Oligopoly—N&S: 15.
    Homework VI handed out. Due next class meeting.


14. **FINAL EXAM**