

THE GEORGE WASHINGTON UNIVERSITY  
Department of Economics  
Summer 2015

**Intermediate Microeconomic Theory (ECON 2101)**

MTWR 10:00AM - 11:30AM, ROME 459

Instructors:

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**COURSE DESCRIPTION**

Microeconomic theory is the foundation of economics. The course delves deeper into models of economic behavior introduced in Principles of Microeconomics. It provides a more sophisticated understanding of neoclassical models of consumer and producer behavior, and the interaction of consumers and producers in markets—both competitive and noncompetitive.

The course is required for students majoring or minoring in economics. It is also a prerequisite for several upper-level economics courses; see the FAQ for undergraduates on the Department's website for more information.

**PREREQUISITES**

The prerequisites for this course are: (1) freshmen-level Principles of Microeconomics (Econ 2011), and (2) Differential Calculus (Math 1221, 1252, or 1231). Students are expected to be comfortable with algebra, in particular solving systems of one or two equations (e.g., being able to calculate equilibrium price and quantity given supply and demand equations); plotting linear and nonlinear equations; and differentiation.

**COURSE GOALS**

Upon completion of this course, course students should be able to:

- Analyze and explain economic decision-making by consumers and producers.
- Characterize equilibria in perfectly and imperfectly competitive markets.
- Analyze and explain the effects of government policies on consumer/producer behavior and welfare, and on market equilibria.

**COURSEMATERIALS**

**Textbook.** The textbook for the course is Pindyck and Rubinfeld's, *Microeconomics, 7th edition*, Prentice Hall, 2008. (A Kindle edition of the textbook is available at a somewhat lower price, but I recommend buying a used hardcopy over the Kindle edition.) The study guide for this edition of the textbook, by

Jonathan Hamilton and Valerie Suslow, is not required, but you may find it useful to test and reinforce your understanding of the material. There will be no assignments involving the study guide. You are encouraged to make use of the website for the textbook, which is located at:

[http://wps.prenhall.com/bp\\_pindyck\\_micro\\_7/](http://wps.prenhall.com/bp_pindyck_micro_7/)

The website has a number of useful resources, including self-study quizzes and current event discussions that show how microeconomic theory can be used to better understand these events.

## **REQUIREMENTS AND GRADING**

Let there be no doubt that this is a difficult course. Approximately five or six homework sets will be assigned over the course of the semester. Homework will not be collected, however, detailed answer sheets will be provided. If you have trouble with homework problems, don't hesitate to ask us for help. Depending on circumstances, I will go over the problems during office hours or in class.

**Four quizzes** based on the homeworks, readings, and lecture notes will be given during the course of the semester. The quizzes will be announced one week before they are given. **There will be no make-up quizzes, however, the lowest quiz grade will be dropped.**

In addition to the quizzes, there will be a **midterm exam** and a **final exam**. The midterm exam and final exam are tentatively scheduled for **Thursday, June 4th**, and **Thursday, June 25th**, respectively.

**Unless you make arrangements with me at least one class before an exam, make-ups will not be given without a valid medical excuse.**

The course grade will be calculated using the following weights:

**quizzes — 30%**  
midterm and final exams — 35% each

## **ACADEMIC INTEGRITY**

The George Washington University is guided by the standards of academic integrity. Students are reminded to honor the Code of Academic Integrity, which can be viewed at

<http://www.gwu.edu/~ntegrity/code.html>

Section 1 of the Code is especially relevant for students.

## **STUDENTS WITH DISABILITIES**

Any student who feels s/he may need an accommodation based on the impact of a disability should contact us privately to discuss specific needs. Please contact the Office of Disability Support Services at 202-994-8250 in the Marvin Center, Suite 242, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to <http://gwired.gwu.edu/dss>.

## **COURSE OUTLINE**

A tentative list of topics, the number of classes devoted to each, and readings from the textbook, are specified below.

Topic	Reading
Introduction and Review (1 class)	Chaps. 1, 2
Consumer Behavior (4 classes)	Chap. 3, skip 3.4 and 3.6
Demand (4 classes)	Chap. 4, skip 4.6; Chap. 14 pp. 531-534
Production (1 class)	Chap. 6
Costs of Production (3 classes)	Chap. 7, skip 7.6 & 7.7
Competitive Supply (3 classes)	Chap. 8
Analyzing Competitive Markets (3 classes)	Chap. 9, skip 9.4
Monopoly (1 class)	Chap. 10, skip 10.5 and 10.6
Pricing with Market Power (2 classes)	Chap. 11*-only 11.1 and 11.2
Game Theory and Oligopoly (if time permits)	Chap. 12*-only 12.2, 12.3 & 12.4, Chap. 13*-only 13.1, 13.2, & 13.3 up to p. 486

\*Be sure to read the introduction to this chapter, i.e., the portion of the chapter before the numbered sections.