

UNIVERSITY OF HAWAII AT MANOA
DEPARTMENT OF ECONOMICS

Econ 301 (002)
Intermediate Microeconomics
Fall 2007

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Intermediate Microeconomics: Price Theory

This course develops basic techniques and fundamental concepts of neoclassical microeconomic theory. The main aim of the course is to provide an understanding, in a variety of settings, of the consequences of individual optimizing behaviour and of the nature of social equilibrium. Topics include consumer behavior, theory of the firm, equilibrium, efficiency, public goods and externalities, elements of strategic behavior and informational economics.

Prerequisite: Econ 130 and 131.

Required textbook: Pindyck and Rubinfeld, *Microeconomics*, 6th edition, Prentice Hall.

Supplementary reading: Hal Varian, *Intermediate Microeconomics*, 6th edition, Norton.

Teaching format: Alternating lectures and discussion sessions. Discussion sessions will include review of the covered material, problem-solving, and economic experiments. Student active participation is required.

Course assessment: Class participation (10%), two midterms (20% each) and a final (50%). In addition, up to 5% in extra credit may be gained in class economic experiments.

Make-up Exam Policy: No make-up exams are given. In very special circumstances, a student may request an early exam date. Supporting documents (e.g., a note from the police, court etc.) are then required.

TENTATIVE LECTURE OUTLINE

Week	Outline	Reading
Week 1 (beginning August 20)	<u>Markets</u> Review of Introductory Micro	PR 1-2, V 1
<i>Discussion sessions:</i> Competitive markets experiment; Practice problems on Competitive Markets (Exercise #1)		
Week 2 (beginning August 27)	<u>Consumer theory (I)</u> Budget constraint, Preferences, Utility Consumer Choice	PR 3, V 2-5
<i>Discussion session:</i> None		
Week 3 (beginning September 4)	<u>Consumer theory (II)</u> Individual Demand Market Demand	PR 4; V 6; 8.1-8.4, 8.6- 8.8;15.1-15.3, 15.5-15.8, 15.11;
<i>Discussion session:</i> Practice problems on Consumer Theory (Exercise #2) (09/03 – Labor Day Holiday)		
Week 4 (beginning September 10)	<u>Choice under Uncertainty</u> Expected Utility Risk aversion	PR 5; V 12
<i>Discussion session:</i> Practice problems on Consumer Theory and Choices Under Uncertainty (Exercises #2,3)		
Week 5 (beginning September 17)	<u>Theory of the Firm (I)</u> Technology; Returns to scale Cost minimization	PR 6, 7; V 18; 20.1; 20.3-20.6
<i>Discussion session:</i> Practice problems on Choice under Uncertainty (Exercise #3 continued)		

