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Fall 2008

**Economics 301**  
**Intermediate Economics: Price Theory**

Outline: This is a course in neoclassical microeconomic theory. Its pre-requisite is ECON 130: Principles of Economics. There will be four parts to this course. The first will focus on the behavior of consumers. The second will focus of the behavior of firms. The third will exam competitive equilibrium. We will conclude the course by going beyond the basic model and examining the problems of uncertainty and market failure.

Objectives: After the course, students will be able to:

- Assess the impact of economic policy using supply and demand analysis
- Decompose price changes into substitution and income effects
- Derive demand and supply schedules from 1<sup>st</sup> principals
- Determine prices under perfect and imperfect competition
- List conditions under which perfect competition does and does not obtain
- Discuss policies that can rectify market failures

Text: *Intermediate Microeconomics: A Modern Approach, 7th Edition* by Hal Varian, Norton, 2005

Grading: Midterm 1 - Sep 30, 2008 - 20% or 30%  
Midterm 2 - Nov 13, 2008 - 20% or 30%  
Problem Sets and Quizzes - 20%  
Final Exam - 30%

The highest score of the two midterms will get weighted 30%. There may be some quizzes that will be assigned randomly. Attendance is not mandatory, but if you miss a quiz then you fail. Exams and quizzes will only be made-up with a legitimate medical excuse.

Office Hours: Friday 1:30 - 3:00 or by appointment

Content:           Supply and Demand  
                      Consumer Theory  
                      Producer Theory  
                      Competitive Equilibrium  
                      Market Power  
                      Uncertainty  
                      Externalities  
                      Public Goods