

Prof. Lixin Ye
Office Hours: Tuesday 1:30pm-3:30pm, 417 Arps Hall

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Economics 501.01: Intermediate Microeconomic Theory Winter 2008

This is an intermediate level microeconomics course. This course has essentially two goals. The first is to provide you with the basic tools necessary to tackle economic problems in a systematic way, and the second is to develop basic economic intuitions that can help you understand economic puzzles or policy problems. These two goals are inherently linked: the first provides a general framework to think about the world around us and the second develops intuitions from that framework. Those of you who intend to pursue further studies in economics will require the tools developed in this class for later course work, while those of you with only a casual interest in economics will, I hope, be able to use the intuitions from this course to make more sense of the world around you.

Required text

David Besanko and Ronald R. Braeutigam, *Microeconomics*, John Wiley & Sons, 3rd edition.

The textbook is available at the bookstore. The lecture will mainly follow the text, though I will cover substantial materials not contained in the book.

Grades

Your course grade will be computed as follows: 10% general class participation, 20% Homework, 30% Midterm Exam, and 40% Final Exam. I do, however, reserve the right to count the final exam more heavily for those who do exceedingly well on it. There will be weekly homework assignments, which will be graded by the course TA. No late homework will be graded. No make-up exam for the midterm will be given; Students who have a pre-approved excuse for missing the midterm will have the final exam counted for 70% of the grade.

Course Website

<http://www.econ.ohio-state.edu/lixinye/Econ501>

I will post important class announcements and teaching materials (lecture notes, homework, homework solutions) to this website. Please check this website regularly for updated class information.

Course TA information:

Wei Wang
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Office hours: Friday 11am – noon.
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Course Outline (tentative)**1. Introduction (2 classes, Ch. 1-2)**

Course overview, introduction to constraint optimization, equilibrium analysis, comparative statics analysis; demand and supply curves, market equilibrium, elasticity.

2. Consumer Theory (approx. 6 classes, Ch. 3-5)

Preferences, indifference curves, utility functions; budget lines; optimal consumer choices; demands; substitution and income effects.

3. Production and Cost Theory (approx. 4 classes, Ch. 6-8)

Neoclassical model of the firm, production functions, marginal and average products; return to scale; cost minimization, input demand, cost function; long-run vs. short-run; profit maximization.

4. Perfect Competition (approx. 2 classes, Ch. 9-10)

Perfect competition; short-run, long-run equilibrium; consumer surplus, producer surplus; applications: using the perfect competition model to analyze public policy interventions.

5. Imperfect Competition and Strategic Behavior (approx. 2 classes, Ch. 11, Ch. 14)

Monopoly; monopolistic competition; price discrimination; Introduction to oligopoly and game theory.

Students with disabilities that have been certified by the Office for Disabilities Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs.