

NAZARBAYEV UNIVERSITY
Department of Economics
ECON 201 Intermediate Microeconomics
2016-2017 Fall Semester

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Class Meetings

Tuesday and Thursdays 15:00-16:15, Blue Hall

Prerequisites

ECON 101 (C- and above)

MATH 161 *OR* MATH 162 (C- and above)

Course Description

This course is concerned with the analysis of the choices consumers and producers make, and the interaction of these choices. We will analyze the nature, and welfare properties, of equilibria in competitive, monopolistic and imperfectly competitive markets. We will briefly discuss game theory (study of strategic decision-making) and some of its applications to economics if we have time.

Textbooks

Intermediate Microeconomics, by Hal R. Varian

You may benefit from *Workouts in Intermediate Microeconomics* (T. C. Bergstrom and H. R. Varian).

For additional/alternative material, you can also use the following textbook that is available online (and free!): *Introduction to Economic Analysis* (R. Preston McAfee) at <http://www.introecon.com/IEA.pdf>

Problem Sets

There will be (approximately) seven homework assignments. Doing as many exercises as possible is *essential* in learning the course material.

The problem sets and their answers will be posted on the Moodle page of the course (after they are discussed in the tutorials).

Tutorials

There will be tutorials once in every two weeks, replacing that lecture. There will be four of tutorial sections (times and locations TBA) each with 30 students.

Method of Evaluation

There will be two midterm exams and a final exam. Midterm 1 will be during week 5-7, Midterm 2 will be during Week 10-11. I will announce the exact dates as soon as possible both in class and also through my web page.

The weights for your overall grade will be as follows: Midterm 1: 25%, Midterm 2: 25%, the Final: 40%, and quizzes and participation 10%. Note that these weights will *not* change later in the term (which would be unfair), so please study accordingly.

If you are unable to take one of the midterms, the weight will be shifted to the final. You need to have a valid and documented reason (per university policy) for missing an exam. Do your best not to miss an exam.

The problem sets should be viewed as *supplementary material*. The benefits of solving these problems in a timely fashion are *not* reflected in the final grade weights. Following the lectures, reading the textbook and working on the problem sets are *complementary activities*. Do not expect to do well in this course by only reading the textbook just before the exams.

Attendance is very important and mandatory (school policy). There will be a quiz in every tutorial session. When giving your grades for participation/quizzes, I will dismiss two of them, so you don't need to worry missing a class or two for valid reasons. (No excuses accepted, which is fair given the policy.) If you miss more than half of them, you get 0 from this part of grading. (Example: If there are 20 attendances/quizzes, you get 0 points if you have 9 or less, 1 point if you have 10 of them, and 10 points if you have 18 or more.)

Course Outline

Introduction: (Chapter) 1

Consumer Theory:

 Preferences and Utility: 3 and 4

 Budget Constraints: 2

 Consumer Choice: 5

 Demand: 6, 7.1-7.2, 15

 Income and Substitution Effects: 8

 Consumer Surplus: 14

Applications:

 Labor Supply: 9.8-9.9

 Intertemporal Choice: 10

Producer Theory:

 Production: 18

 Cost: 21, 20

 Firm Supply: 22

Competitive Markets and Equilibrium: 23

General Equilibrium: 31

Monopoly: 24

Oligopoly: 27

Externalities and Public Goods: 34 and 36

This is *not* a definitive outline. We may change it a little bit as necessary.