

SYLLABUS

ECON 323
Microeconomic Theory

Adalbert Mayer

Fall 2009

Time & Location: Monday & Wednesday 1:15 – 2:30 Allen 1006

Text: Jeffrey M. Perloff, *Microeconomics*, 5th Edition, Addison-Wesley

There are a number of options for this book:

Bound book	ISBN 0321558499
Looseleaf, 3-hole punched	ISBN 0321567242
Ebook + MyEconLab	ISBN 0321449142
Coursesmart ebook	ISBN 032155938X

You can also use an older edition.

Class web-site: http://econweb.tamu.edu/amayer/econ_323.htm

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Office Hours: Monday 4:00 – 6:00 and Wednesday 12:00 – 1:00

And by appointment.

Grades:

Grades are determined by 4 homework assignments and 3 exams. Each homework assignment is worth 25 points. I encourage you to discuss the homework problems in small groups, but everybody has to write up her/his own answers individually. The maximum score in each exam is 100 points. Your final grade depends on the sum of the points you obtain in all assignments and exams.

Grade	Points Overall (max. 400) Exam1 + Exam2 + Exam3 + Assignments
A	360 or more
B	320 or more, but less than 360
C	280 or more, but less than 320
D	240 or more, but less than 280
F	less than 240

You must provide a university-authorized excuse within 24 hrs to be eligible to take a make-up exam or to hand in your homework late. Otherwise a missed exam or a late homework equals zero points. <http://student-rules.tamu.edu/rules7.htm>

Dates: September 14th
October 12th
November 2nd
November 16th

Assignment #1 due.
Assignment #2 due.
Assignment #3 due.
Assignment #4 due.

September 28th
October 26th
December 2nd

first exam.
second exam.
third exam.

Check the class website for updates !!!

ADA: The Americans with Disabilities Act (ADA) is a federal anti-Discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Department of Student Life/Services for Students with Disabilities. The phone number is 845-1637.

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Upon accepting admission to Texas A&M University, a student immediately assumes a commitment to uphold the Honor Code, to accept responsibility for learning, and to follow the philosophy and rules of the Honor System. Students will be required to state their commitment on examinations, research papers, and other academic work. Ignorance of the rules does not exclude any member of the TAMU community from the requirements or the processes of the Honor System.

Course Outline

I. Introduction

Chapter 1

II. The Consumer

Individual choice

Chapters 4, 5

Preferences

Indifference curves

Substitution

Utility

Budget constraint

Demand curves

Price elasticity, income elasticity

Income effect, substitution effect

III. The Firm

Production

Chapters 6, 7

Production function

Marginal Product, average product

Isoquants

Returns to Scale

Cost

The competitive firm

Chapter 8

Competition

Profit maximization

IV. Market Outcome

Supply, demand and equilibrium Chapters 2, 3

Demand curve
Supply curve
Market equilibrium

Welfare Chapter 9

Consumer surplus
Producer surplus
Effect of policies

General Equilibrium Chapter 10

Partial equilibrium vs. general equilibrium
Trade between two people
Competitive equilibrium
Pareto Efficiency
Social Welfare

V. Market Failure

Market Structure Chapters 11, 13, 14

Monopoly
Oligopoly
Game Theory

Externalities Chapter 18

Property rights
Commons
Public goods

VI. Other topics

Uncertainty; Interest Rates, Investments & Capital Markets;
Asymmetric Information; Contracts