Microeconomics (Econ500)

Syllabus

Instructor: Stefan Krasa (skrasa@illinois.edu)
Office Hours: Thursday, 10:30am-12:00.

Teaching Assistant: Sergio De Holanda Rocha (sdrocha2@illinois.edu)
Office Hours: Monday, 9:00am-10:00am
   Tuesday, 8:40am-9:40am
   Wednesday, 9:00am-10:00am
   Thursday, 3:30pm-4:30pm

Time: There are two sections of this class.

   • Section M1: Monday and Wednesday, 10:00-11:50am in 119DKH.
   • Section M2: Monday and Wednesday, 1:30-3:20pm in 119DKH.

On Monday, September 11, the class is taught in a computer lab instead of the regular classroom. Both at the usual time, i.e, Section M1: 10:00-11:50 and.
section M2 from 1:30-2:50 in the computer lab, Room 70A/B in Wohlers Hall, 1206 S Sixth Street.

TA Section: There is a TA recitation every Friday (starts on Friday, September 1):

   Section M1: 11:00am-12:20pm 119 DKH

   Section M2: 12:30pm-1:50pm, 119 DKH

Text books: Microeconomics, by Pindyck and Rubinfeld

Examinations: Your course grade will be determined by adding the points you received the two midte examinations, the final, and the homework. I will post information on how the point score translates int grade.

   Mid-term Examination I: Wednesday, October 11, during class. The maximum is 100 points.

   Mid-term Examinations II: Monday, November 13, during class. The maximum is 100 points.

You should consider these dates to be firm and put them in your schedule. If there is a change, it will b sufficiently in advance. You must take the Midterm for the Section that you are assigned to.
Final Examination: Monday, December 18, 7pm-10pm (place will be announced)

If necessary, there will be a Conflict final examination: on Wednesday, December 20, 8am-11am (room announced)
The maximum score on the final is 100 points.

Homework: Will be posted weekly (except for exam weeks) and is due on Wednesday. Homework will be graded.
The maximum score on each homework is about 3 points.

You can choose to do the homework in teams of up to three students. Each team submits one copy of the homework that lists all the team members. The relative contribution of each team member will be evaluated at the end of the course. Once you have chosen to work in a particular team, you cannot change the team without my explicit permission. Discussing homework questions before the due date with students of other teams is not allowed. Obviously, copying is not allowed either. Thus, if you want to discuss homework questions with other you should join a team.

Course Content:

1. Introduction (Chapter references refer to the textbook):
   1. Supply and Demand (Chapter 2)
   2. Optimization (Not in the textbook but see also the Appendix to Chapter 4)
2. Consumer Behavior and Demand (Chapters 3 and 4)
   1. Preferences (Chapter 3.1)
   2. Budget Constraint (Chapter 3.2)
   3. Consumer Choice (Chapter 3.3)
   4. Marginal Utility (Chapter 3.5)
   5. Cost of Living Indices (Chapter 3.6)
   6. Individual Demand (Chapter 4.1)
   7. Income and Substitution Effect (Chapter 4.2)
   8. Market Demand (Chapter 4.3)
3. Choice under Uncertainty (Chapter 5)
4. Markets with Asymmetric Information (Chapter 17)
5. Game Theory (Chapter 13)
6. Production (Chapter 6)
7. Costs of Production (Chapter 7.1)
8. Competitive Profit Maximization (Chapter 8.1-8.3)
9. The Analysis of Competitive Markets (Chapter 9)
10. Monopoly (Chapter 10.1-10.4 and 10.7)
11. Pricing with Market Power (Chapter 11).