

(Intermediate) Microeconomics, Fall 2015

Instructor: Professor Jinhwan Oh, Graduate School of International Studies, Ewha Womans University

Time and Location: Friday 9:30am-12:15pm, POSCO B153

Email:

Office: 313 Graduate School Building; Office Hours: TBA

- **There will no class on September, 11 due to my business trip. A make-up class will be offered on October, 9 (한글날) from 9:30am to 12:15pm. Please make your plan accordingly. I am sorry for all the inconveniences I might have caused.**

Course Description

This course is designed to develop a *deeper* and *more advanced* understanding of microeconomic reasoning discussed in an introductory course. First, theory of consumer choice and firms' behavior will be revisited with mathematical elaborations. This course then extends partial equilibrium analysis into general equilibrium. Finally, assumptions on no market failure in perfect competition will be released to consider monopolistic behavior, strategic interactions, asymmetric information, *etc.* If time permits, several topics in applied micro – *e.g.* development, regional, behavioral economics, as well as international trade – will be introduced.

Prerequisite (MUST!)

Introductory level of Microeconomics (Please understand this is an intermediate course.)

High school level Mathematics (Differential Calculus, in particular. You should understand what it means by getting derivatives to find maximum or minimum values.)

Textbook

Intermediate Microeconomics 9th edition by Hal R. Varian (It is fine if you use an older edition.)

As supplementary, a chapter or two from the following books will be used. Several websites and/or newspaper articles may also be used.

Freakonomics by Steven Levitt and Stephen Dubner. Ch. 1 (Incentive)

What Money Can't Buy by Michael Sandel. Introduction and Ch. 1 (Efficiency vs. Equality)

Predictably Irrational by Dan Ariely Ch. 1, 2 (Behavioral Economics)

Undercover Economist by Tim Harford. Ch. 2 (Price Discrimination), Ch. 5 (Asymmetric Information)

Course Requirements and Grading Scheme

1. Prelims (35%): There will be two preliminary tests (with equal weight, *i.e.* 17.5% each), which will be conducted in the beginning of class for about an hour. Questions are straightforward for those who understand lectures and problem set questions. The expected dates are; Oct. 2 for the 1st one and Oct. 23 for the 2nd one. After test, lecture follows.
2. Midterm (25%): Nov. 13, in class. Cumulative.
3. Final (35%): Dec. 11, in class. Cumulative.
4. Attendance (5%):

Course Outline (Subject to change)

Do not try to read everything in the textbook; reviewing what is relevant to material discussed in class will be sufficient. Supplementary materials are only for specific chapters. This outline and exam coverages are subject to change. For example, applied topics in consumer part, such as choice under uncertainty or intertemporal choice, could be reserved and discussed after midterm.

1. Introduction: Fundamental Principles of Microeconomics (Freakonomics, Money)
2. Theory of Consumer Choice (Ch. 2-18, Undercover)

Prelim 1

3. Theory of Firm (Ch. 19-27)

Prelim 2

4. General Equilibrium and Welfare (Ch. 32-34)

Midterm

5. Strategic Interactions and Game Theory (Ch. 28-30)
6. Behavioral Economics (Ch. 31, Predictably). Asymmetric Information (Ch. 38, Undercover)

Final