

Ec 474 Microeconomic Theory Fall 2009 MWF 9 am – 10:05 am FAB 10 Office hours: MW 10:15 am – 11:15 am	Prof. Andre Rossi de Oliveira Office: Cramer 241-R Phone #: 5-3937 aoliveir@pdx.edu
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Course Description

Microeconomics is the field of economics that studies how individual agents make their decisions and how these individual decisions aggregate into observed economic equilibria. A comprehensive analysis of this subject requires the use of mathematical tools and models, which are the basis of microeconomic theory. An intermediate microeconomic theory class such as this one makes extensive use of economic modeling, but special attention will be given to applications.

By the end of this course you are expected to understand the basic models of microeconomics that are used to explain individual decision-making and to be able to apply the models to analyze economic problems. My primary goal is to help you master these models.

Course Outline

I. Consumption decisions

- Budget constraint
- Preferences
- Utility
- Choice
- Demand

II. Production decisions

- Technology
- Cost minimization
- Cost curves

III. Competitive markets

- Profit maximization
- Firm supply
- Market demand and industry supply
- Equilibrium

IV. Market failures

- Elasticity and revenue
- Monopoly
- Game theory

- Oligopoly
- Externalities
- Public goods

Textbook

B. Douglas Bernheim and Michael D. Whinston, **Microeconomics**, McGraw-Hill, 1st edition, 2008.

In this course, you will use Aplia's website besides the textbook. Your homework assignments will be posted and are to be completed on that website. You must register with Aplia online (see the attached registration instructions).

Exam schedule, homework assignments and grading

Midterms: Oct. 23 and Nov. 16

Final: Tuesday, December 8 (8:00 am – 9:50 am)

The midterms and final exams are to be taken on the dates indicated. Only the higher of the two midterm scores will count towards your grade. You can elect to take only one or the two midterms. No makeup exams will be given. The final exam is comprehensive.

Your grade will be based on your performance on the exams and homework assignments. The contribution of each of these to your final grade is shown below:

Final Exam: 50 points

Midterm: 30 points

Assignments: 20 points

The following grading scale is the strictest that will be used for determining final grades. This means that if you earn an amount of points within a given category, you will at least receive that grade. Often, but not always, fewer points are required.

Number of Points Received (out of 100 possible)	Minimum Grade
96	A
92	A-
88	B+
84	B
80	B-
76	C+
72	C
68	C-
64	D+
62	D
60	D-

Affirmative Action

Portland State University supports equal opportunity for all, regardless of age, color, disability, marital status, national origin, race, religion or creed, sex or gender, sexual or gender identity, sexual orientation, veteran status, or any other basis in law.

Disability Resources at PSU

Students with accommodations approved through the Disability Resource Center are responsible for contacting the faculty member prior to, or during, the first week of term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the DRC immediately.

Attendance and Class Participation

Students are expected to attend all lectures unless they are ill or prevented from attending by exceptional circumstances. Students are responsible for all lecture materials, including all class announcements. Please come prepared to class.

Academic Honesty

Academic honesty is expected and required of students enrolled in this course. Suspected academic dishonesty in this course will be handled according to the procedures set out in the *Student Code of Conduct*.

Classroom policy regarding the H1N1 Flu

Students will not be penalized for illness-related absences and will be provided with opportunity to make up missed assignments. Physician's notes will not be required, but students must inform the instructor of their condition and report to the instructor when they are back in class. The instructor has the authority and responsibility to require a student who is exhibiting clear symptoms of the flu to leave the classroom and not return until he is without a fever for at least 24 hours without the use of fever reducing medications.

Tentative schedule, subject to change

Date:	Topic:	Textbook Chapter:
Sep 28	Syllabus, Budget constraint	Chapter 5
Sep 30	Preferences	Chapter 4
Oct 2	Utility	Chapter 4
Oct 5	Utility	Chapter 4
Oct 7	Choice	Chapter 5
Oct 9	No class	
Oct 12	Choice	Chapter 5
Oct 14	Demand	Chapter 5
Oct 16	Discussion	
Oct 19	Technology	Chapter 7
Oct 21	Review	
Oct 23	Midterm	
Oct 26	Cost minimization	Chapter 8
Oct 28	Cost curves	Chapter 8
Oct 30	Profit maximization and firm supply	Chapter 9
Nov 2	Market demand and industry supply	Chapter 14
Nov 4	Competitive equilibrium	Chapter 14
Nov 6	Efficiency of competitive markets	Chapter 14
Nov 9	Discussion	
Nov 13	Review	
Nov 16	Midterm	
Nov 18	Elasticity and revenue, monopoly	Chapters 2 and 17
Nov 20	Monopoly	Chapter 17
Nov 23	Game theory	Chapter 12
Nov 25	Oligopoly	Chapter 19
Nov 30	Externalities	Chapter 20
Dec 2	Externalities, discussion	Chapter 20
Dec 4	Review	