

Concordia University
ECON 301/4 AA: Intermediate Microeconomics I

Winter 2011-12

Instructor: Li, Ming

Office: H1155-63

Meeting Time: W 18:00-20:15

Web Site: <http://alcor.concordia.ca/~mingli/teaching/econ301.htm>

Tutorial Section: W 9:00-10:00, H-820

Text: *Intermediate Microeconomics: A Modern Approach*, 8th ed., by Hal R. Varian, W.W. Norton, New York, 2009.

e-mail: mingli@alcor.concordia.ca

Office hours: M 11-12, W 15-16

Overview: Econ 301 is the first half of the intermediate microeconomics sequence. The objective of the course is to provide students with the central concepts of decision-making in a market framework. Simple mathematical models are used to develop the ideas. Such models are abstract, but are useful tools in understanding decision-making and optimization.

Prerequisites: Econ 201, Econ 203, Math 209

Mathematics of a simple kind will be used throughout the course. Students will be expected to be at ease in examining and graphing linear and non-linear functions and solving linear equations. In addition, frequent use will be made of calculus: finding the derivative and maximum or minimum of a single-variable function, finding partial derivatives of a two-variable function. The mathematics required is no more difficult than what is presented in the appendix to Varian's text, and forms but a small part of Math 209. Regardless, students will be reintroduced to the mathematical tools required in class.

Evaluation: Student evaluation will be based on three components.

- | | |
|-----------------------|---------------------------------|
| (a) Four assignments | 20 percent |
| (b) Mid-term test | 30 percent – February 15, 2012. |
| (c) Final examination | 50 percent – TBA. |

It is important to note that the final examination will be common to all sections of Econ 301, and will be set by a committee of all of the instructors who teach the course. In view of this, students should treat the entire material described below as required curriculum for the final exam. The Examinations Office of the University sets the timetable for the final examination. *Finally, note there will be no supplemental privilege in this course, as per departmental practices.*

The 'Workouts' book (by Bergstrom and Varian) that accompanies the Varian text provides useful exercises, with some solutions. Students are not obliged to purchase this, but it is recommended because the questions that appear at the end of each chapter in the text are few in number. I will assign exercises from this book. Although you do not have to submit your solutions, doing these exercises is helpful to your understanding of the course materials. Students are encouraged to work together in study groups and solve problems on each week's material. A limited number of copies of the 'Workouts' are available on reserve at the Webster Library. Students are also strongly encouraged to attend the tutorial sections, where the tutor demonstrates how to solve problems.

Course Outline

- Week 1:** Introduction and math survey (chapter 1 plus elements of appendix).
- Weeks 2-5:** The theory of consumer choice: the budget constraint, consumer preferences, utility, choice and demand (chapters 2-6).
- Week 6:** The Slutsky equation (chapter 8).
- Week 7:** Consumer's surplus (chapter 14).
- Week 8:** Market demand (chapter 15). Mid-term exam sometime around here – 15 February.
- Week 9:** Equilibrium (chapter 16).
- Week 10:** Technology (chapter 18).
- Week 11:** Profit maximization (chapter 19).
- Week 12:** Cost minimization (chapter 20).
- Week 13:** Cost curves and cost functions (chapter 21).