

Econ 73-250A-F  
Spring 2001  
Prof. Daniele Coen-Pirani

## Syllabus for Intermediate Microeconomics

### Objectives of the Course

The primary goal of this course is to teach students the fundamental principles and methods of modern microeconomic theory. The secondary goal of this course is to illustrate the usefulness of these principles and methods for studying actual economic problems.

### Prerequisites

Students are expected to have completed an introductory course in economics, such as 73-100 (Principles of Economics), and a course in multivariate differential calculus (such as 21-112 or 21-122).

### Format of the Course

There will be two lectures per week, on Mondays and Wednesdays, and one recitation on Fridays. Lectures will be taught by Prof. Coen-Pirani, and recitations will be taught by graduate students teaching assistants Dmitri Perekhodtsev (sections C and F), Sinan Sarpca (A and D) and Marco Tortoriello (B and E). Lectures will cover primarily new material, while recitations will focus on problem solving using material presented in the lectures. Attendance to both the lectures and the recitations is required.

### Locations and Meeting Times

Please note that each student has been assigned to one of the six recitation sections listed below. Students can change sections with the permission of Professor Coen-Pirani. The locations and meeting times of the six sections are as follows:

Section A:	MW	10:30-11:20	MM A14,	F	10:30-11:20	SH 224
Section B:	MW	10:30-11:20	MM A14,	F	10:30-11:20	OSC 200
Section C:	MW	10:30-11:20	MM A14,	F	10:30-11:20	OSC 203
Section D:	MW	11:30-12:20	MM A14,	F	11:30-12:20	PH A18B
Section E:	MW	11:30-12:20	MM A14,	F	11:30-12:20	SH 212
Section F:	MW	11:30-12:20	MM A14,	F	11:30-12:20	OSC 203

### Required Texts

- Intermediate Microeconomics: A Modern Approach, Fifth Edition, author: Hal R. Varian, publisher: W.W. Norton & Company (1999).

- Workouts in Intermediate Microeconomics, Fifth Edition, authors: Theodore C. Bergstrom and Hal R. Varian, publisher: W.W. Norton & Company (1999).

The first book is the basic textbook for the course. The textbook will be complemented by a series of transparencies that will regularly be posted on the web (see below). The second book contains exercises based on the material of the textbook. Some exercises from this book will be covered during recitations and some will be assigned as problem sets.

### Grading

Grades will be based on:

	% of total grade	date(s)
Final exams	35%	one of these dates (2001): May 7-8, 10-11, 14-15
Midterm exam 1	25%	February 19, 2001
Midterm exam 2	25%	April 9, 2001
6 Problem sets	15%	see calendar at the end of the syllabus

When computing the final grade, the lowest grade on problem sets will be dropped. No make up exams will be given for midterm exams. If a student misses a midterm exam, that exam's weight in the final grade will be assigned to the relevant part of the final (which is comprehensive).<sup>1</sup> Makeup final exams will be given only in case of documented family or medical emergencies. To have their exams regraded students are required to submit a written explanation of the reason for regrading to Professor Coen-Pirani no later than seven days after the exam has been returned to the students. In this case the entire exam will be regraded.

There will be six homework assignments. Problem sets are due at the beginning of the student's assigned recitation section and can be handed in only to your assigned recitation instructor. Problem sets that are turned in late will receive a grade of zero without exception. Students may work together to solve problem sets, but must write their own answers (in their own words) to each problem. Identical homeworks will receive half of the grade. Students are expected to hand in clearly written answers to problem sets.

The course calendar (see the last two pages of this syllabus) indicates the schedule according to which the problem sets will be assigned.

### Office Hours

Professor Coen-Pirani will hold weekly office hours on Tuesdays, 2pm-3pm, and Thursdays, 2pm-3pm, and by appointment at other times. His office is Posner Hall 306 (Old Building); phone number: 268-6143; e-mail: coenp@andrew.cmu.edu. The best way to make appointments with Professor Coen-Pirani is by e-mail.

The teaching assistants' e-mail addresses are as follows (their office hours will be determined during the first recitation):

<sup>1</sup>Notice: this applies to documented family and medical emergencies. It does not apply to other situations like not having had enough time to study, etc. If the latter has been the case for the first midterm exam its relevant weight in the final is going to be 20% instead of 25%. For the second midterm exam no exception to the "documented family or medical emergencies" rule will be considered.

TA	E-mail @andrew.cmu.edu
Dmitri Perekhodtsev	dmi tri p
Sinan Sarpca	ssarpca
Marco Tortoriello	marcot

### Web page

There is a web page for the course.

It is located at <http://www.andrew.cmu.edu/course/73-250spring/micro.htm>. There is a link to this page at Professor Coen-Pirani's official GSIA web page. On the web students will find: 1) this syllabus, 2) transparencies used in class, 3) practice exams, exams, assignments with solutions, 4) the text of problem sets solved during recitations.

### Schedule of Lectures

I. Overview	Jan.15
II. Consumer Theory	Chapter 2: Budget Constraint (Jan. 15 and 17) Chapter 3: Preferences (Jan. 22) Chapter 4: Utility (Jan. 24) Chapter 5: Choice (Jan. 29 and Jan.31) Chapter 6 (and parts of 8): Demand (Feb. 5 and Feb. 7) Chapter 9: Buying and Selling (Feb. 12) Chapter 10: Intertemporal Choice (Feb. 14) <b>Midterm Exam #1 (Feb. 19)</b> Chapter 14: Consumer Surplus (Feb. 21) Chapter 15: Market Demand (Feb. 26) Chapter 16: Equilibrium (Feb. 28)
III. General Equilibrium	Chapter 29: Exchange (Mar. 5 and Mar. 7)
IV. Theory of the Firm	Chapter 18: Technology (Mar. 12) Chapter 19: Profit Maximization (Mar. 14) Chapter 20: Cost Minimization (Mar. 19) Chapter 21: Cost Curves (Mar. 21) Chapter 22: Firm Supply (Apr. 2)
V. Industry Equilibrium	Chapter 23: Industry Supply (Apr. 4 and Apr. 11) <b>Midterm Exam #2 (Apr. 9)</b> Chapter 24: Monopoly (Apr. 16) Chapter 25: Monopoly Behavior (Apr. 18) Chapter 27: Oligopoly (Apr. 23 and Apr. 25)
VI. Market Failures	Chapter 32: Externalities (Apr. 30) Chapter 35: Public Goods (May 2) <b>Final Exam - Date to be announced</b>

**Note:** This schedule may change during the course of the semester. The first midterm exam will cover Chapters 2-6 and 8-10. The second midterm exam will cover Chapters 14-16, 29, 18-22. The final exam is comprehensive.

### Course Calendar for 73-250, Spring 2001

	Mon.	Tue.	Wed.	Thur.	Fri.
Jan.	15 L	16	17 L	18	19 R
Jan.	22 L	23	24 L	25	26 R Set 1 out
Jan./Feb.	29 L	30	31 L	1	2 R Set 1 due, Set 2 out
Feb.	5 L	6	7 L	8	9 R Set 1 back, Set 2 due Practice Exam #1 out
Feb.	12 L	13	14 L	15	16 R Set 2 back Practice Exam #1 discussed
Feb.	19 Midterm Exam # 1	20	21 L	22	23 R Midterm #1 back
Feb./Mar.	26 L	27	28 L	1	2 R Set 3 out
Mar.	5 L	6	7 L	8	9 Mini Break
Mar.	12 L	13	14 L	15	16 R Set 3 due, Set 4 out

**Legend:** ‘L’ denotes a lecture; ‘R’ denotes a recitation. ‘Set 1 out’ means that Problem Set #1 is handed out on the day indicated. ‘Set 1 due’ means that Problem Set #1 is due on the day indicated (at the beginning of class). ‘Set 1 back’ means that Problem Set #1 is returned graded on the day indicated. ‘Practice Exam #1 out’ means that you are going to receive a set of exercises to prepare you for the exam (they are not going to be graded). ‘Practice Exam #1 discussed’ means that you are going to discuss the solution to Practice Exam #1 during the recitation on the day indicated. ‘Midterm #1’ back means that Midterm #1 is returned graded on the day indicated.

**Course Calendar for 73-250, Spring 2001 (cont'd)**

	Mon.	Tue.	Wed.	Thur.	Fri.
Mar.	19 L	20	21 L	22	23 R Set 3 back, Set 4 due Practice Exam #2 out
Mar.	26	27	28	29 Spring Break	30
Apr.	2 L	3	4 L	5	6 R Set 4 back, Set 5 out Practice Exam #2 discussed
Apr.	9 Midterm Exam #2	10	11 L	12	13 R Midterm #2 back Set 5 due, Set 6 out
Apr.	16 L	17	18 L	19	20 Spring Carnival
Apr.	23 L	24	25 L	26	27 R Set 5 back, Set 6 due Practice Exam #3 out
Apr./May	30 L	1	2 L	3	4 R Set 6 back Practice Exam #3 discussed
May	7 Finals	8	9	10	11 Finals
May	14 Finals	15	16	17 Final Grades Due	18

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