

## **Syllabus: Intermediate Microeconomics**

**Master in Social Sciences - IC3JM - A.Y. 2022/23**

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### **Course Description**

The course will review the fundamentals of Microeconomics. After introducing the concepts of “market” and “economic rationality”, the first part of the course will be devoted to consumer theory, and to the definition of the market equilibrium. In the second half, we will focus on producer theory and on the structure of markets. Throughout the module, will use mathematical tools to study consumers’ and firms’ behavior, and the properties of the different market structures that result from their interactions. By the end of the course, students will acquire a working knowledge of the fundamental topics of microeconomics and, in particular, will be able to analyze the determinants of demand and supply functions, and to operate in simple partial and general equilibrium settings.

### **Schedule**

Fridays, 9.30-12.30h, Aula 18.1.A04.

*Note:* no class on December 2 and December 9.

### **Pre-Requisites**

Mathematics: knowledge of basic algebra. Calculus is useful (but not essential).

Graphical analysis: construction, manipulation and interpretation of graphs on a Cartesian plane.

Also useful, but not essential: interpretation of functions, derivatives, constrained optimization.

## **Textbooks**

(Core) Hal R. Varian, “Intermediate Microeconomics: A Modern Approach”, **8th International Student Edition**, 2010, W.W. Norton Co., ISBN: 978-0-393-93434-3.

(Extra) Theodore C. Bergstrom and Hal R. Varian, “Workouts in Intermediate Microeconomics: A Modern Approach”, 8th edition, 2009, W.W. Norton Co., ISBN: 978-0-393-93515-8.

## **Course Outline**

1. Introduction (Varian, Chapter 1)
  - Models and Markets
  
2. Demand (Varian, Chapters 2-6, 8-9, 15-16)
  - Budget Constraint
  - Preferences
  - Utility
  - Choice
  - Individual Demand
  - Consumer Surplus
  - Market Demand
  - Market Equilibrium
  
3. Supply (Varian, Chapters 18-23)
  - Technology
  - Profit Maximization
  - Cost Minimization
  - Cost Curves
  - Firm Supply
  - Industry Supply
  
4. Markets (Varian, Chapters 24-25, 27)

- Monopoly
- Imperfect Competition (*e.g.*, oligopolies)

### **Grading Policy**

- **40%** of the final mark will be determined by the final exam (date TBC), which will cover **all the topics** of the syllabus. The exam will consist of multiple choice questions, exercises and (short) open-ended questions.
- **30%** of the final mark will be determined by a midterm exam (date TBC). The exam will consist of multiple choice questions, exercises and short open-ended questions.
- **30%** of the final mark will be based on problem sets that will be handed out approximately every other week, and have to generally be submitted in a week's time. Students can work in groups, but they must turn in their own write-up of each problem set. Late submissions are accepted until one week after the deadline, but a student will automatically lose 50% of the points on the problem set. Solving and understanding the problem sets is essential for mastering the material and preparing for the exam(s).