

Syllabus: Intermediate Microeconomics

Master in Social Sciences - IC3JM - A.Y. 2023/24

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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

TBC

Pre-Requisites

Mathematics: knowledge of basic algebra (e.g. derivatives). 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, 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.

(Recommended) 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 mid-term 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 throughout the course, and are generally to 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 **50%** of the points on the problem set will be automatically deducted. Solving and understanding the exercises in the problem sets is essential for the exam(s).