

## **Syllabus**

Instructor:	Gurgen Aslanyan
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Place and time	VSE, RB212: Tue. 16:15-17:45
Language of Instruction:	English
Total Number of Credits (ECTS):	9

### ***Course Description***

This part of the Economics II class is an intermediate-level course in Microeconomic theory. It concentrates on formalizing and applying the concepts introduced in the principles course. We begin by studying theories of the consumer and the producer. Next, we will combine both theories to individual markets, including perfect competition, monopoly, and oligopoly. The course will end with an analysis of the efficiency of competitive markets and the cases when the competitive markets may fail (e.g. asymmetric information, externalities, etc.).

### ***Course Objective***

The objective of this course is to convey intermediate concepts of microeconomic theory to students developing their analytical thinking skills. The emphasis of this course is on reasoning and understanding, not memorising. The skills and methods learnt will be used in further economic courses (Macroeconomics, Public Finance, Factor Markets, as well as advanced Microeconomic theory).

### ***Texts***

- Varian, H.R. (2006). *Intermediate Microeconomics: A Modern Approach*. (**Main Textbook**. Previous editions can also be used.)
- Bergstrom, T.C., & Varian, H.R. (2003). *Workouts in Intermediate Microeconomics*. (Good reference for problem-solving. Highly recommended)
- Perloff, J.M. (2007). *Microeconomics* (Almost an alternative to the main text)
- Frank, R.H. (2007). *Microeconomics and Behavior*. (Provides good intuition for most of the topics. Also available in Czech. Optional)
- Schotter, A. (2003). *Microeconomics: A Modern Approach*. (Game theoretic approach; for advanced students)
- Binger, B. R., & Hoffman, E. (1998). *Microeconomics with Calculus*. (For advanced students)

### **Course Outline**

	(Chapters from Varian, 7 <sup>th</sup> ed.)
1. Basic Economic Model, Budget	(Ch.1 & 2)
2. Preferences, Utility, Optimal Choice	(Ch. 3, 4 & 5)
3. Demand and Consumer Surplus	(Ch. 6 & 8)
4. Market Demand and Trade	(Ch. 9, & 15)
5. Exchange and Welfare	(Ch. 31 & 33)
6. Game Theory and Applications	(Ch. 28 & 29)

### Midterm

7. Production: Technology, Profit, Cost	(Ch. 18, 19, 20 & 21)
8. Firm and Industry Supply	(Ch. 22 & 23)
9. Monopoly and Oligopoly	(Ch. 24 & 27)
10. Production and Equilibrium	(Ch. 16 & 32)
11. Externalities and Public Goods	(V., Ch. 34 & 36)
12. Asymmetric Information	(V., Ch. 37)

Note: From the indicated chapters skip 4.6, 5.4, 8.9, 14.6, 14.8-11, 15.3-15.4, 15.7, 15.9, 15.10, 16.9, 19.2-4, 19.9, 19.11, 20.2, 20.5, 21.5-6, 22.7, 23.6-10, 27.11, 34.2, 34.5-7, 36.3, 36.5, 36.8-10, 37.1-37.3, 37.6). Chapters 1, 29, 33 and 36 are to be skimmed only.

### **Grading**

The final grade will be based on class participation and tests. The usual 1,2,3,4 and 4+ will apply.

There will be two tests: a midterm exam with a weight of 25 per cent and a final exam - 50 per cent. The midterm exam will be during the lecture time, most probably during the 7<sup>th</sup> or 8<sup>th</sup> week of the class (more definitive information will be provided shortly). The final exam will be held as usual at the end of the semester. Both tests will be written and will consist of multiple choice questions.

The remaining quarter of the grade will come from your active participation in the exercise sessions (13 per cent, one per class) and your quiz results (12 per cent).

The grade for this part of the course will be calculated as follows:

Exercise sessions	25%	
Activity		13%
Quizzes		12%
Mid-term exam	25%	
Final Exam	50%	

### **Academic Integrity**

All students that violate the academic honesty code will receive a failing grade. Academic honesty includes receiving and/or providing unauthorized help from/to other students on exams or quizzes.