

## SYLLABUS

### **International and Area Studies 106:**

University of California, Berkeley

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Intermediate Microeconomic Theory

Fall Semester 2005

Office: 321 Giannini Hall

Office phone: (510) 643-5472

Lectures: Tu/Th 3:30 – 5:00 pm, 145 McCone

Office Hours: Tu/Th 5:00 – 6:00 pm and by appointment

Class Website: <http://www.ias106.com>

### **Graduate Student Instructor:**

Peter Kelly

Office: 314 Giannini Hall

Office Hours: F 10-12

Email: [pkelly@are.berkeley.edu](mailto:pkelly@are.berkeley.edu)

### **Discussion Sections:**

W 2:00 – 3:00 pm (229 Dwinelle)

W 3:00 – 4:00 pm (283 Dwinelle)

### **READINGS:**

Textbook (recommended):

Microeconomics by Jeffrey M. Perloff, 3<sup>rd</sup> Edition

Substitutes:

Microeconomics by Pindyck and Rubinfeld

Microeconomics and Behavior by Robert Frank

### **DESCRIPTION OF THE COURSE:**

This course is designed as a comprehensive overview of intermediate Microeconomic Theory. It covers a number of topics including consumer and demand theory, firm, production and cost theory, the theory of competitive markets, imperfect competition, welfare economics, choice under uncertainty, asymmetric information and externalities/public goods. All analysis conducted in the course relies on graphical and algebraic techniques. Examples used in class, readings and discussion sections will demonstrate the applicability of the models covered in class to topics with an international dimension, such as the setting of tariffs, cartel behavior and international trade.

### **GRADES AND EXAM POLICIES:**

- Your course grade will be based on two midterm exams (25% each) and a comprehensive final exam (50%). All exams will be in-class exams and are held in the lecture room.
- Do not miss tests.
- I will not allow makeup exams unless a TRUE emergency arises and you come to talk to me with the proper documentation.
- If you get extra time on exams, please supply me with the proper documentation **during the first two weeks of class.**

### **EXAM SCHEDULE:**

Midterm 1:

Thursday, September 29<sup>th</sup> 2005

Midterm 2:

Thursday, November 3<sup>rd</sup>, 2005

Final Exam:

Tuesday, December 20<sup>th</sup>, 2005

**CHEATING:**

This class will be conducted in strict observance of the University's Academic Honesty Code ([http://uga.berkeley.edu/sas/rtf/guide\\_student.rtf](http://uga.berkeley.edu/sas/rtf/guide_student.rtf)), without compromise or exception. None of the exams will require the use of a calculator, or any other outside materials. I will supply you with everything you need for the exam, except for pens and pencils.

**HELPFUL HINTS:**

Get into the habit of checking the course home page regularly for assignments, due dates, answer keys, announcements, and readings complementing the material covered in the text. The website is an experiment. I am using a blog, which lets you comment on posts and submit anonymous feedback. Please make use of this resource and let me know ways I can improve on it.

This was new to me as well, but the clocks at Berkeley are different. Even though the class starts at 3:30 pm officially, I will not start lecturing until 3:40 pm. I will try my best to finish each lecture by 5 pm sharp. If I go over, I bring in chocolate for the next lecture.

Finally, do not hesitate to ask questions, either in class or outside the class. If you do not understand something, speak up – chances are someone else is confused as well. If a question arises outside of class, come to my office hours. (Please don't call me at home, since I am never there.)

**HOW TO DO WELL IN THIS CLASS:**

- 1) Come to class. I cannot stress this enough. The easiest way to raise your grade is come to lectures. Romer showed that for Intermediate Macroeconomics at UCB, not showing up at all was responsible for 1.4 to 2.5 grade points. Showing up half the time was worth 0.7 to 1.2 grade points. (These numbers take into account how conscientiously students completed their homeworks).
- 2) Do extra problems. There are tons of practice problems in the book(s) with solutions for most of them. If you find a mistake in the book's answers I will give you a dollar. I also hand out weekly voluntary problem sets, which I strongly encourage you to solve before discussion.
- 3) Read along in two textbooks.
- 4) Do not fall behind. The material in this course is somewhat cumulative.
- 5) SPEAK UP IN CLASS!
  - Please give me feedback if I go too fast, slow, speak too softly or loudly.
  - If you take issue with something I said, speak up. A discussion is ALWAYS more interesting than a monologue. That said, there are almost 80 students in the class. I reserve the right to defer answering questions which do not really relate to the material at hand to after class. You are more than welcome to stay and listen/argue/agree with me.

**I hope you will enjoy this class and I wish you a great, successful semester.**

## Plan of Action

Week	Lecture	Weekday	Date	Topic
1	1	Tu	30-Aug	Friendly Introduction
1	2	Th	1-Sep	Consumer Choice I
2	3	Tu	6-Sep	Consumer Choice II
2	4	Th	8-Sep	Consumer Choice III
3	5	Tu	13-Sep	Applied Consumer Choice
3	6	Th	15-Sep	Labor Supply
4	7	Tu	20-Sep	Production I
4	8	Th	22-Sep	Production II
5	9	Tu	27-Sep	Costs of Production
5		Th	29-Sep	<b>Midterm 1</b>
6	10	Tu	4-Oct	Costs of Production
6	11	Th	6-Oct	Costs of Production
7	12	Tu	11-Oct	Profit Maximization & Equilibrium (SR)
7	13	Th	13-Oct	Profit Maximization & Equilibrium (LR)
8	14	Tu	18-Oct	Applying the competitive model
8	15	Th	20-Oct	Applying the competitive model
9	16	Tu	25-Oct	Applying the competitive model
9	17	Th	27-Oct	Partial vs. General Equilibrium
10	18	Tu	1-Nov	Efficiency in Exchange
10		Th	3-Nov	<b>Midterm 2</b>
11	19	Tu	8-Nov	General Equilibrium
11	20	Th	10-Nov	Monopoly
12	21	Tu	15-Nov	Monopoly
12	22	Th	17-Nov	Monopolistic Competition
13	23	Tu	22-Nov	Oligopoly
13	24	Th	24-Nov	Choice under Uncertainty
14	25	Tu	29-Nov	Externalities
14		Th	1-Dec	Thanksgiving – No Class
15	26	Tu	6-Dec	Public Goods
15	27	Th	8-Dec	Intertemporal Choice