

**EC2010: INTERMEDIATE ECONOMICS**  
**MODULE 2: MICROECONOMICS**  
**(AS OF OCTOBER 15<sup>TH</sup>, 2006)**

**COURSE DESCRIPTION:**

As its name indicates, this course studies the theory and applications of microeconomics at an intermediate level. Recall that the purpose of microeconomics is to model economic activity as an interaction of individual economic agents pursuing their private interests under resource constraints. As such, it studies the economic behavior of consumers, workers, investors, business firms, managers, and any other individual or entity that plays a role in the functioning of the economy. Particular emphasis is placed on how such interaction allows the formation, operation and evolution of markets and industries.

We derive rigorously the intuitive results discussed in EC1010: Introduction to Economics, and discuss analysis of the firm, price and output determination in competitive and imperfectly-competitive markets, allocation of productive resources, and other current microeconomic problems. You will also understand why economists use certain mathematical tools. The tools presented in this course are essential for upper-level economics courses.

**LECTURE MEETINGS:**

Lectures are held Tuesdays from 10:00 AM to 11:00 AM, and Wednesdays from 5:00 PM to 6:00 PM in the Arts building, room 1008 (also known as The Edmund Burke Hall). The Microeconomics module starts January 23<sup>rd</sup> (third week of Hilary term) and ends May 11<sup>th</sup> (sixth week of Trinity term).

**CLASS MEETINGS:**

Marta Zieba and Pdraig Flynn are the teaching assistants assigned to this course. Tutorials will be held once a week, starting on Monday, January 29<sup>th</sup>. During tutorials, the teaching assistants will present problems similar to those in your assignments and/or some new material. They will also answer questions in a smaller group setting. Attendance is highly recommended, especially if you are having difficulty understanding the course material. A table at the end of the syllabus contains information about your TAs.

## **COURSE WEBSITE**

All documents (syllabus, lecture notes, assignments) will be posted at the course website. You will be sent an e-mail with the link to that webpage. Notice that there will be NO link through my homepage at the Department of Economics.

## **GETTING HELP: OFFICE HOURS:**

I hold office hours Mondays from 3:00 PM to 4:00 PM and Thursdays from 11:30 AM to 12:30 PM, in the Arts Building, room 3012. No appointment is necessary. Please feel free to drop by my office to ask questions, to make suggestions, or even just to introduce yourself. You can also contact me by e-mail at [Martin.Paredes@nyu.edu](mailto:Martin.Paredes@nyu.edu) to set up an appointment at another time.

In addition, your TAs will also hold office hours. Marta Zieba's office hours are Mondays from 11:00 AM to 1:00 PM, in the Arts building, room 3002. Pdraig Flynn's office hours are Fridays from 10:00 AM to 12:00 PM, also in the Arts building, room 3002.

## **TEXTBOOK:**

The main (required) textbook for the course is:

- David Besanko & Ronald Braeutigam, *Microeconomics*, John Wiley & Sons, 2<sup>nd</sup> Edition, 2005.

Copies of the book have been ordered in bookshops. The Study Guide associated with the textbook is also recommended, but it is optional.

## **COURSE ASSESSMENT:**

There will be two examinations for this module:

- Hilary term test:  
Standard test on the material covered up to that week in this module. The exam will count for 20% of the overall grade for the Intermediate Economics course.
- Final exam:  
The final exam is worth 60% of your overall grade for the Intermediate Economics course. The exam is comprehensive.

The three-hour annual examination contains five questions in the macroeconomics section and five questions in the microeconomics section. Students must answer **one** compulsory question in **each section**, and three more questions with at least

**one** from each section. The following table provides an example. As said, a total of five questions must be answered. The student's choice are in italics: she answered the two compulsory questions and chose to answer question 3 and 5 in macroeconomics, and question 3 in microeconomics.

<b>MACROECONOMICS</b>	<b>MICROECONOMICS</b>
<i>Compulsory question</i>	<i>Compulsory question</i>
Question 2	Question 2
<i>Question 3</i>	<i>Question 3</i>
Question 4	Question 4
<i>Question 5</i>	Question 5

If you miss a test or examination arising from illness, the usual rules regarding a medical certificate apply if you wish to be excused. A medical certificate must be supplied to the Department of Economics office within three days of the missed test or examination.

### **ASSIGNMENTS**

I will post several assignments during the semester on a weekly basis. They will not be graded, but I strongly recommend you to solve them on your own. If you struggle in one question, you can ask your TA to solve it during class or during his office hours.

### **ATTENDANCE TO LECTURES**

You are responsible for everything covered in lectures. If, for any reason, you have to miss a lecture, I encourage you to make prior arrangements with another student to take careful notes for you and to sit with you and explain their notes afterward. Please do not ask me to “fill you in” on what you missed.

Please arrive on time. There is absolutely NO chatting during lecture. Also, please turn off your cell phones. The lecture hall is very large, so procure NOT to sit in the back rows. If along the term I observe too many students in the back rows, I'll enforce a rule to prohibit it.

## COURSE OUTLINE

### Part I

1. Introduction to Microeconomics Ch. 1.
2. Demand and Supply Ch. 2.
3. Consumer Theory Ch. 3, 4 & 5.

### Part II

4. Production and Cost Theory Ch. 6, 7 & 8.
5. Perfect Competition Ch. 9 & 10.
6. Monopoly Ch. 11 & 12.

### Part III

7. Imperfect Competition, Game Theory and Strategic Behavior Ch. 13 & 14
8. Risk and Information Ch. 15
9. General Equilibrium Theory Ch. 16
10. Externalities and Public Goods Ch. 17

## SCHEDULE OF RECITATIONS

Day	Time	Location
Monday	3:00 PM to 4:00 PM	Arts 4050B
Tuesday	12:00 PM to 1:00 PM	Arts 4047
Tuesday	5:00 PM to 6:00 PM	Arts 3051
Wednesday	1:00 PM to 2:00 PM	AP2.03
Thursday	11:00 AM to 12:00 AM	Arts 5039
Friday	9:00 AM to 10:05 AM	Arts 3126

## INFORMATION ABOUT YOUR TEACHING ASSISTANTS

Name	E-mail	Office Hours
Marta Zieba	<a href="mailto:ziebam@tcd.ie">ziebam@tcd.ie</a>	Mondays, 11:00 AM to 1:00 PM, Arts 3002
Padraig Flynn	<a href="mailto:flynnpg@tcd.ie">flynnpg@tcd.ie</a>	Fridays 10:00 AM to 12:00 PM, Arts 3002