

MICROECONOMICS

C30.0001.05

SPRING 2007

TUESDAY & THURSDAY: 11:00-12:15

Course Instructor: Professor Allan Collard-Wexler

Office Hours: Thursday 3.30-5 PM or by appointment

Office: KMC 7-80

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Please use “Micro” in subject line.

Location: TISCH UC59

T.A.: Tomasz Piskorski (tpiskors@stern.nyu.edu)

Course Description

Economics is the study of production and allocation of scarce resources, and how agents make decisions under conditions of scarcity and uncertainty. This course provides a rigorous introduction to economics, with special emphasis on microeconomics. It will introduce you to economics as a discipline and as a way of thinking. It will also provide you with the a set of tools, which will be very useful in other economics courses.

We will first study the behavior of individual consumers and firms. Then we will give you some insight into how markets work and whether market outcomes are desirable. We will also look at situations in which the firm is a monopolist, or competes with a limited number of rivals. Some of the key concepts we will introduce include economic incentives, marginal analysis, opportunity cost (which costs matter), market efficiency (what does it mean for a market to work) and strategic behavior (how to predict and respond to your rivals' decisions).

The tools that you will be acquainted with in this class are fundamental for most upper division courses of the Economics major as well as classes in Finance, Accounting and Marketing .

Textbook: Robert S. Pindyck, and Daniel L. Rubinfeld: *Microeconomics* (6th Edition), Prentice-Hall Series in Economics. The textbook can be bought at the NYU Bookstore.

Course Blackboard

The course's blackboard can be found at <http://sternclasses.nyu.edu> using your Stern netID/password and choosing the course titled *Microeconomics*.

Please familiarize yourself with the course web site ASAP. There you will be able to find among others:

1. lecture notes

2. assignments and keys to them
3. sample exams
4. announcements
5. discussion forum

Communicating with us electronically: As far as is possible, rather than emailing us, you should post your questions on the relevant Blackboard **discussion forum**. This is far more efficient than individual back-and-forth email. If question raised by a student via email are relevant for the rest of the class, we will post this on the discussion forum.

There are two discussion forums currently active:

1. Administrative questions about the course
2. General questions and comments about what we cover in class

Before posting a question, make sure that you read through the course content on Blackboard, the frequently-asked-questions, and the questions other students have posted. Often, you will find the answer to your question here.

Prerequisites: This course assumes familiarity with multi-variate calculus and high school algebra. In addition, we will have a review section on most essential mathematical tools.

TA's Sessions: We meet twice a week and in addition a Teaching Assistant (TA) will conduct a recitation every week. The timing of this session is to be determined. TA sessions start at the FIRST week of classes.

Homework Assignments: There will be **weekly** homework assignments. Homework assignments will be downloadable from the class website and will consist of problems and short answer questions based on the material presented in class. The objective of these assignments is to give you the opportunity to practice the new concepts. The more problems you work out the higher your chances of getting an A. It is that simple. I encourage you to work in teams. Homework assignments will not be graded. TA's will go over the solutions in each week's session. If you solved a problem using a different method than the presented solution, and want to check whether it is correct or not, you are encouraged to discuss it with your TA during office hours.

Quiz: There will be 4 quizzes, one in the second week of the course, one before the midterm, and one before the final. Provided that you take ALL three exams, only the **two best** score will count towards your grade, otherwise the average score will count towards your grade. There are absolutely no make-ups for missed quizzes.

Examinations-Make-up Test Policy: There will be a midterm and a final exam. The midterm will be on in class and the final Exam on. Tests are written and will be taken without books or notes. They will consist of problems similar to the ones in the problem sets; short answer questions which maybe in the form of multiple choice. The final exam will be cumulative.

No Make-up Exams: If you miss the midterm for a justified reason and provide sufficient evidence, your final score will be counted instead of the midterm exam. If you miss the midterm for any other reason you will get a score of 0. If for a justified reason you miss the final exam you will receive an incomplete, which has to be removed in the earliest possible semester.

Review Sessions: The TA will run a review session before the midterm and one before the final. They will go over sample exams that I will hand out a week in advance.

Your final exam: If you want to receive a copy of your final exam after the course is over you will need to make an appointment with me or your TA. I will destroy all material at the beginning of the spring quarter.

Errors: The TA's and myself will make every effort to grade fairly and evenly. But some errors in grading may occur. Please check your exams and in case of grading errors, please return your exam to the grader with a written note explaining where the error is. We may keep copies of all, or of a fraction of graded exams, prior to handing them back. The whole exam may be regraded in this case. Please keep copies of your exams until the quarter is over.

Grading Policy: Your grade will be determined by the following

Quiz	20%
Midterm	30%
Final	50%

There is no curve and everyone can get an A. The grade scale is as follows:

A 87.5-100
B 75-87.5
C 62.5-75
D 50-62.5
F 0-50

I will use the grades A+, A, A-, B+,..., C- but I will only use grade D.

How to do well in this course: Practice problems. As many as you can! Work with your friends on the difficult problems. Learn from each other. Seek help from me or from the TA's. We are here to help you.

Microeconomics
Reading List and Tentative Course Schedule

Week 1	Jan 16 Jan 18	Chapter 1 Preliminaries Chapter 2 The basics of supply and demand
Week 2 and 3	Jan 23 Jan 30	Chapter 3 Consumer behavior Chapter 4 Individual and market demand
Week 4	Feb 1	Chapter 6 Production
Week 5	Feb 6	Chapter 7 The cost of production Chapter 8 Profit maximization and competitive supply
Week 6	Feb 13	Chapter 8 Profit maximization and competitive supply
Week 7	Feb 26	Chapter 9 The analysis of competitive markets
Week 8	March 6	Review and Midterm
Week 9	March 12	SPRING BREAK
Week 10	March 20	Chapter 10 Market power: Monopoly and monopsony Chapter 11 Pricing with market power
Week 11	March 27	Chapter 13 Game theory and competitive strategy
Week 12	April 3	Chapter 12 Monopolistic competition and oligopoly
Week 13	April 10	Chapter 14 Markets for factor inputs Chapter 15 Investment, time and capital markets
Week 13	April 17	Chapter 5 Uncertainty and consumer behavior Chapter 17 Markets with asymmetric information
Week 14	April 24	Chapter 18 Externalities and public goods Review

Final Exam:TBA