

INTERMEDIATE MICROECONOMICS (22014)

Universitat d'Alacant / Universidad de Alicante
Dept. Fundamentos del Análisis Económico
First Semester 2011

Group: 13 (ADE).

Hours: Wednesday 12:30 – 14:30, Thursday 10:30 – 12:30.

Room number: Aula 16 – Planta Baja – Aulario I.

Instructor (Theory and Exercises sessions): Marc Teignier Baqué

E-mail: teignier@merlin.fae.ua.es, mteignierbaque@gmail.com.

Office: #27 (second floor, building Facultad Ciencias Economicas y Empresariales).

Office Hours: Wed 16:00 – 19:00, Th 16:00 – 19:00 (Let me know in advance when you are coming!).

COURSE OBJECTIVES AND DESCRIPTION

Microeconomics studies the economic behavior of agents at the individual level. *Intermediate Microeconomics* is the continuation of *Introduction to Microeconomics*, which analyzes the optimal behavior of consumers and producers, derives the market demand and supply curves, and examines the perfect competition equilibrium. This course expands the microeconomic analysis of the consumers' behavior, describes the producers' behavior in non-competitive markets, and studies the economic efficiency of markets.

The objectives of the course are, first, learning to use analytical reasoning to define economic problems and solve them; second, understanding the determination of prices in different types of markets; and, third, learning about the incentives of economic agents, their strategic decisions, and their importance in the design of economic policies and institutions. Students are expected to understand the dynamic nature of economic relations, as well as the role of intertemporal decisions and agents' expectations about the future.

GRADING

- Participation (class attendance, class participation, problem sets): 10% of final grade.
- Midterm Exam 1 (6th week): 20% of final grade.
- Midterm Exam 2 (12th week): 20% of final grade.
- Final Exam (31/01/2012): 50% of final grade.

If the average grade of the midterm exams is above 2.5 out of 10, students may be able to increase that average by solving some extra exercises in the final exam.

Grading in the second convocation will be done exactly in the same way as the first one, so the second-convocation final exam (04/07/2012) will be given a 50% weight in the final grade.

TEXTBOOK AND COURSE MATERIALS

Main textbook:

- Varian, H: Intermediate Microeconomics: A Modern Approach; 7th edition, W.W. Norton and Company.

Other textbooks:

- Pindyck, R. and D. Rubinfeld: Microeconomics; 8th edition, Prentice Hall.

Other course materials like course slides, newspaper articles, or problems sets will be available at the course's site on Campus Virtual de la Universidad de Alicante.

COURSE CONTENTS

PART I: Consumer's theory applications.

- Topic 1: Buying and Selling (Varian, ch. 9).
- Topic 2: Intertemporal Choice (Varian, ch. 10).
- Topic 3: Choice under Uncertainty (Varian, ch. 12).

PART II: Producer's theory applications.

- Topic 4: Monopoly and Monopoly Behavior (Varian, ch. 24 and 25).
- Topic 5: Oligopoly and Game Theory (Varian, ch. 27 and 28).

PART III: General Equilibrium

- Topic 6: General Equilibrium (Varian, ch. 31 and 33).

PART IV: Market Failures

- Externalities and Public Goods (Varian, ch 34 and 36).
- Asymmetric Information (Varian, ch 37).