

University of Oklahoma
Department of Economics

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Economics 3113

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Off. Hours: Mon. 3-4, Wed. 11-12

This course is about Microeconomic Theory and its use in the analysis of contemporary policy problems. In the process, we will need to build a solid understanding of the operation of markets. While newspapers provide daily reminders of the movement of many economies toward market rather than government control of allocation, many policymakers continue to press for increasing government intervention. Our goal will be to develop a set of tools, a methodology that will allow reasoned and consistent analysis of markets. In order to reach this level of understanding, we must focus on how markets arrive at equilibrium outcomes. This requires a construction of optimal behavior by both consumers and producers, as well as the characteristics of the marketplaces in which they interact.

REFERENCE MATERIAL: *Intermediate Microeconomics* by Hal R. Varian.

GRADING POLICY:

I. EXAMS: There will be two midterms and a final exam. Each midterm counts for 25% of your total grade and the final counts for 30%. The dates for the exams are as follows:

First midterm: Thursday, February 19.

Second midterm: Thursday, April 2.

Final exam: Last day of classes.

II. QUIZZES: Quizzes will be given regularly. They will count for the remaining 20% of your final grade. I will drop the lowest two scores of your quizzes in determining your aggregate quiz score. No makeups for quizzes will be given. A missed quiz will be counted as the one of the two quizzes that is dropped. Quizzes may not be announced beforehand.

OFFICE HOURS: My office hours are listed at the beginning of this syllabus. My office is in 318 Hester Hall. My phone number is 325-3083 and my e-mail is: georgiak@ou.edu.

The teaching assistant for the course is Kodrat Wibowo. He will have office hours every Tuesday and Thursday from 1:30-2:30 p.m. His phone number is 325-5850 and his e-mail is: kodrat.wibowo-1@ou.edu

ATTENDANCE POLICY: While there is no attendance policy per se, you will find that missing class can be very costly. Several questions on each exam will come directly out of lecture material. In addition, missing classes could lead to missing quizzes. Thus, I strongly urge you to attend the classes.

TOPICS: The following is a list of topics I wish to cover in class. It is unlikely that we will make it through all the topics listed. For exams, you will be responsible for material in topics actually covered in lecture.

I. Introduction

Chapter 1

II. Consumer Theory

- A. Affordability
Chapter 2
- B. Preferences
Chapter 3 and 4
- C. Consumer Equilibrium and Demand
Chapter 5 and 6
- D. Measuring Welfare
Chapter 14
- E. Market Equilibrium from the Consumer Side
Chapter 15-16

III. The Theory of the Firm

- A. Production Theory
Chapter 17
- B. Firm Behavior
Chapter 18
- C. Cost Theory
Chapter 19-20
- D. Supply
Chapter 21-22

IV. Equilibrium Price and Quantity

- A. Perfect Competition
Chapter 21-22
- B. Monopoly
Chapter 23
- C. Oligopoly
Chapter 26
- D. Noncooperative Equilibrium
Chapter 27

V. Special Topics

- A. Externalities
Chapter 31
- B. Information Economics
Chapter 33
- C. Public Goods
Chapter 34