

DRAFT!

WWS 511b

Microeconomic Analysis (Basic)

Lectures: Monday and Wednesday, 10:40-12:10

Instructor

Cecilia Rouse

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Office Hours: Wednesdays 2-4 and by appointment

Preceptor

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Office Hours: Fridays 1:30-3pm

The purpose of this course is to develop an understanding of basic microeconomic tools. Emphasis will be placed on how these tools can be used for policy analysis. Students need not have taken any other economics courses. They should have a good command over algebra and be familiar with basic calculus concepts, although proficiency in calculus is not necessary.

1. Course Requirements/grading: Midterm (30%), final (50%), and nine problem sets (20%)

2. Textbooks

I recommend that students buy the following textbook:

Walter Nicholson and Christopher Snyder, *Intermediate Microeconomics and its Application*, 10th edition, Thomson South Western.

A useful additional reference is Hal Varian, *Microeconomics: A Modern Approach*, 6th edition, W.W. Norton and Co. Varian is slightly more technical and a little less “wordy” than Nicholson. You could use Varian as your primary text if you prefer its style. But, keep in mind that the notation I use in my handouts and lectures will more closely follow Nicholson. Copies of both books are available in Stokes Library.

3. Handouts

A set of handouts for the course will be posted on Blackboard, under “Handouts.” You will find it helpful to print these out and bring them to class.

4. Precepts and Problem sets

Precepts and problem sets work as follows. A weekly problem set will be handed out in class and/or posted on Blackboard (under “Problem Sets”) by the end of the day each **Monday**. Your answers will generally be due the following **Monday by 2pm in Wiola’s mail box in the Economics Department**. Late problem sets will not be accepted. Please give your problem sets to Wiola, not to me. Students can work together on problem sets, although solutions should be written and handed in separately. It's a good idea to work on the problem sets on your own before meeting with a group — you'll get more out of them.

I will distribute 10 problem sets over the course of the semester as well as one for extra credit. You are required to do 9 of them. If you decide to hand in all 10, the problem set with the lowest score will be dropped when calculating your grade. Attached to most problem sets will be a set of questions for review/discussion. The answers to these are not to be turned in, but you might want to use them to help you study.

5. Office hours

Wiola and I will each have weekly office hours. Please use these office hours, especially if there are issues that are still unclear after review sessions. If you cannot make it to my office hours and want to set up an appointment, an easy way to reach me is via e-mail.

6. Tutoring

Tutoring is available, typically in small groups, through the Graduate Program office. If you think you would benefit from tutoring, come and discuss it with Wiola or me. It can take a little while to get tutoring set up, so don't wait until the last minute to request help.

7. Important Dates

Wednesday, September 28, 2006: Makeup class; 7:15-8:45pm

Wednesday, October 25, 2006: Midterm exam, to be held during regular class hours

Monday, November 13, 2006: Makeup class; 7:15-8:45 (instead of precept)

Wednesday, November 22, 2006: No class

Thursday??, January ??, 2007: Final exam; 9am-noon

8. Readings

The readings from Nicholson and Snyder are required. The readings from Varian are optional—look at them only if you like Varian's style and find this book helpful. Additional optional readings may be assigned during the semester. Note that there are 24 classes during the semester, one of which will be used for the midterm. The amount of time I have given for each topic is approximate.

Introduction and Overview (Class 1)

Skim Nicholson and Snyder: Chapter 1

(including appendix—this material should be familiar from math camp)

Varian: Chapter 1 and Mathematical Appendix.

The Theory of Consumer Behavior (Classes 1-8)

Nicholson and Snyder: Chapters 2-4 (with a focus on chapter 2 and 3), Appendix to Chapter 15 (on labor supply)

Varian: Chapters 2-9, 14

Handouts 1-4

The Theory of the Firm, including Intertemporal Issues (Classes 9-11, 13)

Nicholson and Snyder: Chapters 7-9, Chapter 15 (pp. 453-462),

Varian: Chapters 18-23

Handouts 5-7

Midterm (Held during Class 12)

Intertemporal Issues and the Perfectly Competitive Model (Classes 14-16)

Nicholson and Snyder: Chapter 16 (including Appendix), Chapters 10-11

Varian: Chapters 10-11, Chapter 16

Handouts 7-9

General Equilibrium (Class 17)

Nicholson and Snyder: Chapter 12

Varian: Chapter 30-31

Handout 10

Monopoly, Imperfect Competition and Game Theory (Classes 18-19)

Nicholson and Snyder: Chapters 13-14, Chapter 15 pp. 463-479, and Chapter 6

Varian: Chapters 24-29

Handouts 11-13

Externalities and Public Goods (Classes 20-21)

Nicholson and Snyder: Chapter 18

Varian: Chapters 33-35

Handouts 14-15

Uncertainty and Imperfect Information (Class 22-24)

Nicholson and Snyder: Chapter 5, Chapter 17

Varian: Chapters 12-13, 36

Handouts 16-17