

WWS 511b
Microeconomic Analysis (Basic)
Lectures: Monday and Wednesday, 10:40-12:10 – Robertson Hall Bowl 1

Instructor

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Preceptor

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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 eight problem sets (20%)

2. Textbooks

Recommended 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*, 7th edition, W.W. Norton and Co. Varian is slightly more technical and a little less “wordy” than Nicholson.

The notation in 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 Anna’s mail box in the Economics Department**. Please give your problem sets to Anna, 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. There will be 10 problem sets in total.

LATE PROBLEM SETS WILL NOT BE ACCEPTED. You are required to do 8 of out of the 10 problem sets. If you decide to hand in all 10, the two problem sets with the lowest scores 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.

Precepts will be held on Monday and Wednesday evenings from 7:15-8:30pm in Robertson Bowl 1.

If you want additional practice, you can do the odd-numbered problems in the book. These have solutions in the back.

5. Office hours

Anna 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 Anna 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, October 24, 2006: Midterm exam, to be held during regular class hours

January, 2007: Final exam; 9am-noon (likely!)

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.

The amount of time assigned 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), Chapter 16 (including Appendix)

Varian: Chapters 10-11, 18-23

Handouts 5-7

Midterm (Held during Class 12)

Perfectly Competitive Model (Classes 14-16)

Nicholson and Snyder: Chapters 10-11

Varian: Chapter 16

Handouts 7-9

General Equilibrium (Class 17)

Nicholson and Snyder: Chapter 12

Varian: Chapter 31-32

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 24-30

Handouts 11-13

Externalities and Public Goods (Classes 20-21)

Nicholson and Snyder: Chapter 18

Varian: Chapters 34-36

Handouts 14-15

Uncertainty and Imperfect Information (Classes 21-23)

Nicholson and Snyder: Chapter 5, Chapter 17

Varian: Chapters 12-13, 37

Handouts 16-17