

**NORTHEASTERN UNIVERSITY**  
**Department of Economics**

ECN G110  
Microeconomic Theory  
Fall 2006  
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### **Course Description**

This course provides a detailed examination of microeconomic theory at the beginning graduate level. It is intended for students who have previously taken an intermediate level course in microeconomic theory comparable to Northeastern's ECN U316 and a course(s) in differential and integral calculus. Anyone who has not taken such courses (or who has forgotten them) should take the appropriate courses before taking this course. In general, this course integrates the mathematics that you know with the microeconomics that you know. In addition, the course will also use a more formal and general approach than the approach typically used at the undergraduate level.

### **Grading**

Your grade in this course will be determined as follows:

First Test (October 2)	33.3%
Second Test (November 2)	33.3%
Third Test (December 11)	33.3%

### *Problem Sets*

There will be approximately eight problem sets in the course, which will be graded on a check plus, check, check minus basis. Although they will not directly affect your grade (except in borderline situations), they are an integral part of the course! Solving—or trying to solve—the problem sets is the primary way that you will learn the material. Thus, it is very important that you spend the time necessary to solve (or try to solve) the problems. You are encouraged to work in groups and discuss the problems among yourselves. However, **the work you turn in must be your own!**

### *Empirical Papers*

Depending on the pace at which we cover the material on the reading list (below), I may add a few papers to the reading list that empirically estimate some of the concepts that we will be studying.

## Office Hours

Monday and Thursday 2:30-4:00 and by appointment. I will usually be available on a “walk-in” basis, although it may be advisable to call in advance. I also check my e-mail regularly.

The Teaching Assistant for the course is Megan Bushor. She will hold office hours in 310 Lake from 2:30-4:00 on Mondays and Thursdays. Her e-mail is bushor.m@neu.edu.

## Text

Walter Nicholson, *Microeconomic Theory: Basic Principles and Extensions*, 9<sup>th</sup> edition, South-Western, 2005.

## Course Outline

Numbers in parentheses are the approximate number of weeks devoted to each topic.

### I. Introduction and Review of Mathematics (0)

- Chapter 1 Economic Models
- Chapter 2 The Mathematics of Optimization

### II. Theory of the Consumer (4)

- Chapter 3 Preferences and Utility
- Chapter 4 Utility Maximization and Choice
- Chapter 5 Income and Substitution Effects
- Chapter 16 Labor Supply (through page 485)
- Chapter 6 Demand Relationships among Goods
- Chapter 18 Uncertainty and Risk Aversion

## First Test, October 2

### III. Theory of the Firm (3)

- Chapter 7 Production Functions
- Chapter 8 Cost Functions
- Chapter 9 Profit Maximization

### IV. Theory of the Market (1)

- Chapter 10 The Partial Equilibrium Competitive Model
- Chapter 13 Models of Monopoly
- Chapter 14 Traditional Models of Imperfect Competition

## Second Test, November 2

### V. Theory of Input Markets (1)

- Chapter 16 Labor Supply (from page 485)

VI. General Equilibrium, Efficiency, Externalities, and Public Goods (3)

Chapter 11 Applied Competitive Analysis

Chapter 12 General Equilibrium and Welfare

Chapter 20 Externalities and Public Goods

Chapter 21 Political Economics

**Third Test, December 11**