

NORTHEASTERN UNIVERSITY
Department of Economics

ECN G110
Microeconomic Theory
Fall 2007
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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 4) | 33.3% |
| Second Test (November 5) | 33.3% |
| Third Test (December 10) | 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 Yi Zhang. He will hold office hours in 353 Holmes from 2:30-4:00 on Mondays and Thursdays. His e-mail is yi.zhang@neu.edu and his phone number is 617-373-7803.

Text

Walter Nicholson, *Microeconomic Theory: Basic Principles and Extensions*, 9th 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 4

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 5

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 10