

Economics 300: Microeconomics
Amherst College

Spring 2012

Professor: Chris Kingston, 314 Converse Hall. Email: cgkingston@amherst.edu

Office Hours: Mondays, 2-4pm, or by appointment

TA sessions: Sunday, 7:30-9pm in BEBU 107. TA: Varun Iyengar.

This course presents the standard microeconomic toolkit for analyzing the choices made by individuals and firms, how these choices interact in perfectly and imperfectly competitive markets, and other related issues including market failure, intertemporal decision-making, welfare, and the effects of uncertainty and asymmetric information. After taking this course, you will be eligible to take upper-level electives in which these tools are applied to real-world issues. Some of the material will be broadly familiar from Economics 111, but we will use a more sophisticated mathematical toolkit to make things more rigorous and precise, and to uncover new insights which we couldn't uncover using the tools of Economics 111.

Prerequisites: You must have completed, or passed out of, Mathematics 111 before taking this course. In addition, you must have obtained either a B in Economics 111 or a B- in a lower-level elective course before you can enroll in Economics 300.

Textbook: The textbook is *Microeconomics: Theory and Applications with Calculus*, second edition (2010), by Jeffrey M. Perloff (published by Addison-Wesley) [you will also be able to get by with a copy of the first edition of this book]. We will follow this textbook closely, and read it in its entirety. Copies should be available at Amherst Books, and there are three copies on reserve in Frost library. Copies may also be available at the Option.

Problem Sets: There will be problem sets at (approximately) weekly intervals, worth a cumulative 20% of your final grade. The problem sets will be distributed in class and posted online on Blackboard. The problem sets are intended primarily as a learning tool rather than an evaluation tool, and I encourage you to work together when figuring out how to approach the questions. However, please ensure that whatever work you turn in is your own; ie., don't just copy down the answers, even if you worked together to figure them out. This is entirely in your own interest: making sure you have grasped the logic underlying your answers is crucial, or you may suffer when it comes to the exams. Problem sets are due in Converse 314 by 4:30pm on Mondays (or they may be turned in earlier that day in class). Late problem sets will not be accepted, but you may miss two problem sets without penalty. If you turn them all in, the two lowest scores will be dropped.

Exams: There will be two 90-minute midterms, and a comprehensive 3-hour final exam. Each midterm is worth 20% of your final grade, and the final is worth 40%. Bring a calculator to each exam. You may not share calculators during an exam. There will be **NO MAKE-UP EXAMS**. If you need to miss an exam, you need to inform me *as soon as possible* with a valid excuse. If you have a medical excuse, I will need a medical note to that effect. It will not be possible to reschedule exams at short notice to accommodate, eg., athletic events. ***Do not book your flight out of here before you know the final exam schedule!***

Honor Code: Naturally, I expect you to abide by the college's Honor Code and Statement of Intellectual Responsibility. In particular, cheating on an exam will automatically result in a final course grade of F (in addition to any other sanction the Dean of Students' office may impose).

Reading List

Try to do the readings ahead of time; it will help make the lectures more useful for you.

Weeks beginning:	Topics	Chapters from Perloff textbook
23 January	Introduction and review	1 2
30 January & 6 February	Constrained choice, Demand, Welfare	3 4 5
13 February & 20 February	Production Functions, Cost curves	6 7
<i>(First midterm)</i>		
27 February & 5 March	Supply; Equilibrium in Competitive Markets; Taxes, trade, price ceilings	8 9
<i>(Spring break)</i>		
19 March	General Equilibrium	10
26 March & 2 April	Monopoly, Price discrimination	11 12
<i>(Second midterm)</i>		
9 April	Game Theory, Oligopoly	13 14
16 April	Factor markets & Labor Supply	15 16 17
23 April	Uncertainty; Externalities and Public Goods	
30 April	Asymmetric Information, Moral Hazard	18 19
<i>(Final exam during May 7 – May 11, to be scheduled by the Registrar)</i>		