

NORTHWESTERN UNIVERSITY

ECONOMICS 310-1—MICROECONOMIC THEORY

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Important: It is my assumption, as well as that of Northwestern University, that you will attend every class. You are responsible for any changes or additions to what follows that may be announced. Some material will be posted on Canvas; some material may be passed out in class. Should you miss a class for any reason, it is your responsibility to get the material from someone else in the class. The following plan is tentative. Changes may be made as necessary.

Purpose: This course is concerned with the analysis of consumer and producer behavior in market economies and with the nature of equilibria in competitive and monopolistic markets. It deals with the foundations of the market mechanism and the analysis of welfare. Students should have completed (or at least be familiar with) the material covered in Economics 202 (Introduction to Microeconomics) and, at the minimum, one quarter of calculus. Calculus will be used in a fundamental way in the class.

Text: The required text for the course is *Microeconomics*, 5th edition, by Braeutigam and Besanko. The material covered in class will generally correspond to the material assigned in the texts, although the lectures may present the material from a different point of view. Lectures should be viewed as complements to, rather than as substitutes for, the readings.

Method of Evaluation: Course grades will be based on two midterm exams, each worth 30%, and a cumulative final exam worth 40%. There will also be some problem sets. Some examination questions may be similar to problems on the problem sets. Class participation will be considered in borderline cases.

Sections: Attendance at a weekly section is expected. More details will be announced in class. The sections will be used to discuss homework problems that will expand on ideas presented in lecture or in the text.

Examination Policies and Dates:

Exam 1	Wednesday	February 2
Exam 2	Wednesday	February 23
Final Exam	Monday	March 14, 5-7 PM

No make-ups for the midterms will be given. Excuses for absences from the exams will be accepted only in real cases of illness (with verification from the student health center or a doctor's excuse) or emergency. In the case of an excused absence due to illness, I will determine the final grade by increasing the weights given to the midterm taken and the final. If an absence from a midterm is unexcused, the student is subject to receiving a grade of zero for that exam. Since Northwestern allows no exceptions to the published final exam schedule, the final exam will be given only at the appointed hour.

The class re-grade policy will be posted on Canvas later in the quarter. Happily, it's rare that a Northwestern student chooses to cheat but I am required to report any evidence of cheating to the Dean's office immediately with no discussion with the student. No cheating is allowed in any way in this class.

Northwestern University owns a copyright on all class material, including the lectures. No recording of classes is allowed nor is posting of class material (e.g., homework sets) online allowed.

Due to comments from students regarding the negative externalities involved, the following policies hold: No reading of newspapers or chatting during class. Cell phones are to be put away (in your pocket, purse, or bookbag) and have their ringers turned off for the entire class. If you are unable to resist the impulse to check messages and text, you are welcome to very quietly leave the room to do so. No laptop/notebook computers allowed. Violation of this policy is subject to a grade penalty with no warning.

Course Outline: What follows is a rough outline of the material we will cover. I'll announce in class each week where we are in the text. Changes may be made depending on time constraints.

Week of	Topics	Chapters
1-3	Intro; Quick Micro Review, Preferences	1, 2, 3
1-10	Utility, Consumer Choice	4 (Skip 4.4), 4A1
1-17	Income & Sub Effects	5 (Skip 184-194)
No class on MLK Day, Monday, January 17.		
1-24	Applications, Consumer Surplus	5
1-31	SR Production, LR Production	6
2-7	SR Costs, LR Costs	7, 8 (Skip 311-317)
2-14	Perfect Competition, SR Profit Max.	9, 9A
2-21	LR Supply, Applications, Monopoly	10, 11
2-28	Monopoly, Monopsony	11
3-7	Odds'n'Ends	