

ECON 8001-2/4161-2
Fall 2009

Instructor: Terrance Hurley
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Hours: Tuesday, 11:00 – 12:00
Thursday, 11:00 – 12:00
By Appointment

Teaching Assistant: Giovann Alarcon
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Hours: Monday, 11:00 – 12:00
Friday, 11:00 – 12:00

	September 8 th – October 26 th	October 27 th – December 16 th
Lecture:	Tuesday/Thursday	Tuesday/Thursday
Time:	2:30 – 3:45	2:30 – 3:45
Where:	CarlSMgmt L-126	CarlSMgmt L-126
Recitation:	Thursday	Thursday
Time:	4:45 – 6:00	4:45 – 6:00
Where:	Blegin Hall 220	Blegin Hall 220

Microeconomic Analysis

Description: Economics 8001-2/4161-2 are the first two courses in the Economics 8001-2-3-4/4161-2-3-4 sequence that is designed to provide first year Ph.D. students in Applied Economics, Carlson School of Management, Health Policy & Management and other programs with a more rigorous and mathematical treatment of fundamental microeconomic concepts. While Economics 8001/4161 and Economics 8002/4162 are considered two distinct courses, they will be taught as a single continuous course with separate grades for the first and second half. The focus of this course will be consumer and producer behavior in competitive and monopoly markets; general equilibrium analysis; welfare evaluation; and the first and second welfare theorems.

Recommended Texts: This course will be based on the instructor's notes that will be posted on the class website (follow link from <http://www.apec.umn.edu/faculty/thurley/>). These notes and many homework problems borrow extensively from MasColell, Winston, and Green, *Microeconomic Theory*, Oxford, 1995 and Varian, *Microeconomic Analysis* (3rd edition), Norton, 1992 (though I prefer the more terse second edition as a reference).

Prerequisites: The economics and mathematical background assumed for students enrolling in this class includes intermediate or M.S. level microeconomic theory (e.g. ECON 3101, ECON 5151, or APEC 5151); linear algebra (e.g. MATH 2243); and multivariate calculus (e.g. MATH 2263).

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Homework: There will be homework assignments during most weeks. All homework assignments will be handed out in class on Tuesday and must be turned in on the following Tuesday at the beginning of class. Homework assignments and their solutions will be posted on the class website. Late homework will not be accepted. Turn in whatever you have had the chance to complete. Each problem on your homework will be scored as:

4 = Absolute Perfection: Shows an understanding of the concepts with no mistakes, omissions, or errors in logic.

3 = Valiant Effort: Shows an understanding of the concepts, but has some minor mistakes, omissions, or errors in logic.

2 = Modest Effort: Shows an understanding of the concepts, but has substantial mistakes, omissions, or errors in logic.

1 = Minimal Effort: Does not show an understanding of the concepts.

0 = No Effort: Work not turned in.

Your total score will be the sum of scores for each question.

You are encouraged to work together on homework assignments, but are required to submit your own assignment. If you do work with other students, please acknowledge them at the back of your assignment.

Exams: There will be two closed book exams: one for ECON 8001 on October 22, 2009 and one for ECON 8002 on December 15, 2009.

Grades: Individual grades A – F will be assigned based on homework assignments (50%) and exams (50%). Students taking the course on the S-N grade basis must achieve at least a C- to earn an S. No incompletes will be offered.

Topics in Expected Order of Coverage:

1. Individual Choice
2. Preference & Utility
3. Utility Maximization & The Consumer Problem
4. Expenditure Minimization & The Consumer Problem
5. Duality & Integrability
6. Welfare Evaluation
7. Aggregate Demand
8. General Equilibrium In An Exchange Economy (First & Second Welfare Theorems)
9. Technology & Production
10. Cost Minimization & The Producer Problem
11. Profit Maximization & The Producer Problem
12. Aggregate Supply
13. Perfect Competition
14. General Equilibrium With Production (First & Second Welfare Theorems Revisited)
15. Monopoly & Other Market Failures (as time permits)

Standard Statement on Course Requirements

<http://www.sos.umn.edu/stafffaculty/supplement.php>

1. The two major grading systems used are the A-F and S-N. Departmental majors must take major courses on the A-F system; non-majors may use either system. The instructor will specify criteria and achievement levels required for each grade. All students, regardless of the system used, will be expected to do all work assigned in the course, or its equivalent as determined by the instructor. Any changes you wish to make in the grading base must be done in the first two weeks of the semester.
2. The instructor will specify the conditions, if any, under which an "Incomplete" will be assigned instead of a grade. The instructor may set dates and conditions for makeup work, if it is to be allowed. "I" grades will automatically lapse to "F"s at the end of the next semester of a student's registration, unless an instructor agrees to submit a change of grade for a student during a subsequent semester to maintain the grade as an "I".
3. Inquiries regarding any changes of grade should be directed to the instructor of the course; you may wish to contact the Student Conflict Resolution Center (SCRC) in 211 Eddy Hall (624-7272) for assistance.
4. Students are responsible for all information disseminated in class and all course requirements, including deadlines and examinations. The instructor will specify whether class attendance is required or counted in the grade for a class.
5. A student is not permitted to submit extra work in an attempt to raise his or her grade, unless the instructor has specified at the outset of the class such opportunities will be afforded to all students.
6. Scholastic misconduct is broadly defined as "any act that violates the right of another student in academic work or that involves misrepresentation of your own work. Scholastic dishonesty includes, (but is not necessarily limited to): cheating on assignments or examinations; plagiarizing, which means misrepresenting as your own work any part of work done by another; submitting the same paper, or substantially similar papers, to meet the requirements of more than one course without the approval and consent of all instructors concerned; depriving another student of necessary course materials; or interfering with another student's work."
7. Students with disabilities that affect their ability to participate fully in class or to meet all course requirements are encouraged to bring this to the attention of the instructor so that appropriate accommodations can be arranged. Further information is available from Disabilities Services (230 McNamara).
8. University policy prohibits sexual harassment as defined in the December 1998 policy statement, available at the Office of Equal Opportunity and Affirmative Action. Questions or concerns about sexual harassment should be directed to this office, located in 419 Morrill Hall.