

**Koç University**  
**Econ 201 Intermediate Microeconomics**  
**Spring 2008**

**Instructor:** Seda Ertac

**Office:** CAS 211, 338-1880.

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**Class Time and Location:**

Tue-Thu, 9:30-10:45 CAS 134

**Office Hours:**

Tuesday-Thursday 11:00 - 11:30 and 14:00 - 15:00

**Course Assistants:**

Mustafa Dogan (mudogan@ku.edu.tr)

Suleyman Serdengeçti (sserdengecti@ku.edu.tr)

Ceren Ozmen (grader)

TA office hours and problem session hours will be announced.

**Course Description:**

This class presents the fundamental conceptual foundations of microeconomics and provides examples of their applications. We will start with the theory of consumer choice, which explores how individuals make decisions given resource constraints, and then proceed to analyze the theory of the firm. Topics include: Theory of the consumer: preferences and utility maximization. Theory of the firm: profit maximization/cost minimization. Equilibrium with perfect competition, monopoly and oligopoly. Factor markets. Introduction to general equilibrium and welfare. Public goods and externalities. Basic concepts of game theory.

**Textbooks:**

1. Intermediate Microeconomics by Hal Varian; 7<sup>th</sup> edition. Norton.
2. Workouts in Intermediate Microeconomics by Theodore Bergstrom and Hal Varian; Norton.

Both books are available at the bookstore and on reserve in the library. The first book is the textbook, while the second book contains exercises that are going to be used throughout the semester. You need both books.

**Prerequisites:** Econ 200, Principles of Economics. If you have not taken this class, please come and see me as soon as possible.

## **Course requirements**

You are required to attend classes by university policy. There will be weekly problem sessions, time schedule and place for those will be announced by the registrar. There will be one midterm exam and a final exam. The midterm will be in the week of March 17<sup>th</sup> and will count for 35% of your grade. The final exam will count for 50% of your grade. It will be cumulative, but with more weight on the latter part of the course. The remaining 15% will be determined by your grade in 3 in-class quizzes. The dates of these will be announced beforehand.

I will post problem sets every week or so. These won't be graded, but learning how to solve problems is the only way to do well in this course, so it is important that you work on them.

## **Makeup Exam Policy**

No make-ups will be given for the quizzes. If you miss the midterm, no make-up will be given during the semester. Provided that you have a valid, documented reason for not taking the midterm on the specified date ("valid" means that you comply with the strictest Koc University regulation in this matter), you will need to take the midterm on the day of the final of Econ 201.

## **Academic honesty**

Honesty and trust are important to all of us as individuals. Students and faculty adhere to the following principles of academic honesty at Koç University:

1. Individual accountability for all individual work, written or oral. Copying from others or providing answers or information, written or oral, to others is cheating.
2. Providing proper acknowledgment of original author. Copying from another student's paper or from another text without written acknowledgment is plagiarism.
3. Study or project group activity and authorized teamwork is effective. Unauthorized help from another person or having someone else write one's paper or assignment is collusion. Cheating, plagiarism, and collusion are serious offenses resulting in an F grade and disciplinary action.

## **Course Outline**

1. Budget Constraint (Chapter 2)
2. Preferences and Utility (Chapter 3 and 4)
3. Choice and Individual Demand (Chapter 5 and 6)
4. Substitution and Income Effects (Chapter 8)
5. Consumer's Surplus (Chapter 14)
6. Market Demand and Equilibrium (Chapter 15 and 16)
7. Exchange (Chapter 31)
8. Technology (Chapter 18)

9. Profit Maximization (Chapter 19)
10. Cost Minimization and Cost Curves (Chapters 20 and 21)
11. Firm Supply and Industry Supply (Chapters 22 and 23)
12. Monopoly (Chapter 24)
13. Oligopoly and Game Theory (Chapters 27 and 28)
14. Externalities (Chapter 34)