

UIUC
Dept of Economics

Fall 2022
Econ 500
section M1: 317 DKH, MW 09:30-10:50
section M2: 317 DKH, MW 11:00-12:20

Microeconomics

Instructor: Prof. Yannis Biliadis (biliadis@illinois.edu)

Course Description

This is a standard course in microeconomic theory at a master level; principal topics include the consumer theory and demand by households, the producer theory and supply by firms, the determination of price of goods under various forms of market organizations, and theoretical developments of current interest. The emphasis is on the interpretation of economic phenomena.

Prerequisite

Knowledge of basic calculus will be sufficient for the smooth attendance of the course.

Useful Texts

- Varian (**V**) (2019), Intermediate Microeconomics: A Modern Approach, 9th edition, WW Norton & Company

- Pindyck and Rubinfeld (**PR**) (2020), Microeconomics, 9th edition, Pearson

Although they are designed for undergraduate audience, both V and PR can be fruitfully used for a master level course with an applied point of view.

An important component of the course is practicing via homework assignments and brief quizzes. The following book, designed to accompany Varian's text, will be used intensively for mastering the material

- "Workouts in Intermediate Microeconomics" by Bergstrom and Varian (**BV**).
Bergstrom provides a free link at

<https://econ.ucsb.edu/~tedb/Courses/GraduateTheoryUCSB/workouts.pdf>

Very Optional textbooks

For someone who wants to make the passage to more advanced treatment of microeconomic theory, the following maybe useful:

- Varian (1992), Microeconomic Analysis, 3th edition, WW Norton & Company

This textbook used to be the standard textbook for a PhD course in the late '80s. Nowadays, the micro bible is "Microeconomic Theory," by Mas-Colell, Whinston, Green. *Both these textbooks are not needed for this course.*

Lectures and Discussion sessions

Regular lectures on theories and methodologies of microeconomics:

- for section M1: 317 DKH, MW 09:30-10:50
- for section M2: 317 DKH, MW 11:00-12:20

Discussion/Recitation sessions will be an essential part of the course:

- for section M1: 386 Armory, F 12:30-01:50
- for section M2: 386 Armory, F 11:00-12:20

Assistant Instructors (AIs)

Discussion/Recitation sessions are led by the the AIs of the course:

- Reza Salehi (msalehi3@illinois.edu)
- Shivangi Ambardar (sambar3@illinois.edu)

Grading Policy, Exams, Assignments

Grading will be based on one midterm (EXAM 1), a final exam (EXAM 2), some previously announced brief quizzes and almost weekly homework assignments.

The final grade of the course will be based:

- 40% Homework Assignments
- 10% Quizzes
- 25% Exam I (Week of October 3rd - exact day will be announced later)
- 25% Exam II (Final Exam)

Late Submission Policy

Homework assignments should be submitted by the assigned deadlines. Unless there is a serious excuse, late submissions will not be accepted.

Office Hours

Instructor's office hours: 208 DKH, Thursday 3:00-4:50pm, or by request.

AIs office hours:

Shivangi's: 110 DKH, MW 4:00-5:00, TR 1:00-2:00

Reza's: 110 DKH, MW 3:00-4:00, TR 12:00-1:00

Topics

A precise description of the material we cover in class and its exact reference to the textbooks will be offered as we proceed. A tentative list of the topics that will be covered is:

- Supply and Demand
- Consumer Behavior and Demand
- Choice under Uncertainty
- Markets with Asymmetric Information

- Production
- Costs of Production
- Competitive Profit Maximization
- The Analysis of Competitive Markets
- Monopoly
- Pricing with Market Power
- Game Theory