

Microeconomics (Econ500)

Instructor: Luca Micheletto (lmichel@illinois.edu)

Office hours: Monday and Wednesday, 12:20-1:00pm

Teaching Assistant: Sergio De Holanda Rocha (sdrocha2@illinois.edu)

Office hours: Monday, 8-9am

Tuesday, 8-9am

Wednesday, 8-9am

Thursday, 8-9am

Time: There are two sections of this class.

- *Section M1:* Monday and Wednesday, 9:30am-10:50am in 119DKH
- *Section M2:* Monday and Wednesday, 11:00am-12:20pm in 317DKH

TA Section: There is a TA recitation every Friday (starts on Friday, August 30):

Section M1: 2:00pm-3:20pm in 119DKH

Section M2: 3:30pm-4:50pm in 119 DKH

Textbook: Microeconomics (9th edition), by *Pindyck and Rubinfeld*

Examination: Your course grade will be determined by adding the points you received in the two midterm examinations, the final, and the homework. I will post information on how the point score translates into grade.

Midterm Examination I: Monday, October 7th, 7pm-8:50pm (Room 101 in the Armory Building). The maximum is 100 points.

Midterm Examinations II: Monday, November 11th, 7pm-8:50pm (Room 101 in the Armory Building). The maximum is 100 points.

You should consider these dates to be firm and put them in your schedule.

Final Examination: Wednesday, December 18th, 1:30pm-4:30pm (place will be announced)

If necessary, there will be a *Conflict final examination* on Thursday, December 19th, 1:30-4:30pm (place will be announced)

The maximum score on the final is 100 points.

Homework: There will be 4; the maximum score on each homework varies between 8 and 10 points.

You can choose to do the homework in teams of up to three students. Each team submits one copy of the homework that lists all the team members. The relative contribution of each team member will be evaluated at the end of the course. Once you have chosen to work in a particular team, you cannot change the team without my explicit permission. Discussing homework questions before the due date with students of other teams is not allowed. Obviously, copying is not allowed either. Thus, if you want to discuss homework questions with other students you should join a team.

Course Content:

1. Introduction (Chapter references refer to the textbook):
 - 1.1. Supply and Demand (Chapter 2)
 - 1.2. Optimization (lecture notes)
2. Consumer Behavior and Demand (Chapters 3 and 4)
 - 2.1. Preferences (Chapter 3.1)
 - 2.2. Budget Constraint (Chapter 3.2)
 - 2.3. Consumer Choice (Chapter 3.3)
 - 2.4. Marginal Utility (Chapter 3.5)
 - 2.5. Cost of Living Indices (Chapter 3.6)
 - 2.6. Individual Demand (Chapter 4.1)
 - 2.7. Income and Substitution Effects (Chapter 4.2)
 - 2.8. Market Demand (Chapter 4.3)
3. Choice under Uncertainty (Chapter 5)
4. Markets with Asymmetric Information (Chapter 17)
5. Production (Chapter 6)
6. Costs of Production (Chapter 7.1)
7. Competitive Profit Maximization (Chapter 8.1-8.3)
8. The Analysis of Competitive Markets (Chapter 9)
9. Monopoly and Monopsony (Chapter 10)
10. Pricing with Market Power (Chapter 11)
11. Monopolistic Competition and Oligopoly (Chapter 12)