

Economics 11: Microeconomic Theory

Professor Simon Board

Fall 2008

1. Class Information

Website: <http://www.sscnet.ucla.edu/08F/econ11-1/>

Lectures: Tuesday and Thursday, 9:30 -10:45am in Haynes 39

Office Hours: Tuesday and Thursday 11 - 12 am, or by appointment.

2. Contact Information

Office: 9353 Bunche Hall

Email: sboard@econ.ucla.edu

Phone: 310-825-5304

Remarks: In general, your first point of contact should be your TA. For enrollment questions, please talk to the economics counsellor. Otherwise, when contacting me by email, please indicate "Econ 11" in the subject line.

3. Course Description and Requirements

Econ 11 is the first part of a two-course sequence in Microeconomic Theory, the second part being Econ 101. Both courses are technically demanding and rigorous. They are intended to introduce you to formal economic analysis, and serve as a foundation for the more advanced undergraduate field courses in economics.

A solid background in calculus is essential for success in Econ 11. I have posted a Math Guide, which reviews the most important results from calculus that we will be using in this course. These results will be covered in the TA sections within the first two weeks, so that you should have a clear understanding of the requirements early on.

Econ 11 has been designated as an impacted course. This means that you can only decide to drop the course during the first two weeks.

4. Textbook and Course Material

The main textbook for this course is "Microeconomic Theory: Basic Principles and Extensions", by Walter Nicholson and Christopher Snyder (10th ed). I am happy for people to use

earlier editions or the international edition, which may be substantially cheaper, but cannot guarantee that the material will be identical.

There are 3 copies of the 10th edition on 2-hour reserve at College Library (HB172.N49.2008).

5. Related Books

Slightly easier than this course:

Varian, *Intermediate Microeconomics*.

Schotter, *Microeconomics*.

Nicholson, *Intermediate Microeconomics*.

At a similar level:

Perloff, *Microeconomics: Theory and Applications, with Calculus*.

Harder:

Kreps, *A Course in Microeconomic Theory*.

Jehle and Reny, *Advanced Microeconomic Theory*.

6. TA sessions

In addition to the lectures, you are assigned a weekly TA session. The TA sessions study practice problems and problem sets that are based on the concepts and theory covered in the lectures. You should study them before coming to the TA sessions. Your TA also serves as your first contact when you have questions about the course material.

The TAs are:

Vaidyanathan Venkateswaran (Head TA) - vvenkate@ucla.edu

Guillermo Raul Beylis - gbeylis@ucla.edu

Mee Yeon Kim - gemmykim@ucla.edu

Hoa Shi - haoshi@ucla.edu

Tzu-Yu Kao - tykao@ucla.edu

Section	Time	Room	TA
A	M 10:00–10:50	Dodd 146	Mee Yeon
B	M 11:00–11:50	MS 5225	Mee Yeon
C	F 10:00–10:50	Dodd 170	Venky
D	W 1:00–1:50	Bunche 3170	Guillermo
E	R 12:00–12:50	Pub Aff 1329	Guillermo
F	W 2:00–2:50	Pub Aff 1284	Tsu-yu
G	T 3:00–3:50	Bunche 3211	Hao
H	T 4:00–4:50	Bunche 2168	Hao
I	W 3:00–3:50	Royce 154	Tsu-yu

7. Exams, Grading and Exam Policies

Grades will be based on the following:

1. Four homeworks. These are optional.
2. One midterm. Thursday, Oct 30, in class. This will be closed book.
3. One final. Monday, Dec 8, 2008, 11:30–2:30 (final exam code 12). This will be closed book. The exam is cumulative.

Your overall grade is determined by the following formula:

5%	Max{Homework 1, Final}
5%	Max{Homework 2, Final}
5%	Max{Homework 3, Final}
5%	Max{Homework 4, Final}
30%	Midterm
50%	Final

Hence a student who gets grades of 60%, 90%, 80% and 70% on the homeworks, 85% on the midterm and 75% on the final will get a total score of

$$(0.05)(0.75) + (0.05)(0.90) + (0.05)(0.80) + (0.05)(0.75) + (0.3)(0.85) + (0.5)(0.75) = 79\%$$

Homeworks: Homework must be handed in at the end of class. I will not accept late homework.

The due dates are:

HW 1: Thursday, Oct 9 (week 3).

HW 2: Thursday, Oct 23 (week 5).

HW 3: Thursday, Nov 13 (week 8).

HW 4: Tuesday, Dec 2 (week 10).

Problem Sets: Each week I will provide a problem set. These questions will not be collected or graded, but you should find them useful in preparing for exams. I will post the questions on the website (under the “links”). They will also be covered in the TA sessions.

Missed Exams: If you miss the midterm exam for medical reasons (to be verified by a doctors’ certificate!) or due to other certified emergencies, the final exam will carry additional weight.

Appeals: We try to grade fairly and accurately, but occasionally we will make mistakes. Any appeals about grades must be made in writing within one week from the time the work was returned in class. They should first be addressed to the Head TA. If you are not satisfied with the Head TA’s decision, you may appeal to me, within one week from the time the Head TA’s decision was made. We will review the entire exam, not just the question under appeal.

8. Lecture Plan (Approximate)

Note: Chapters refer to Nicholson and Snyder (10th ed).

Introduction

Introduction (Ch. 1)

Math Guide (Ch. 2)

Consumer Theory (4 weeks)

Preferences and utility functions (Ch. 3)

Utility maximization problem (Ch. 4 and 5)

Expenditure minimization problem (Ch. 4 and 5)

Uncertainty (Ch. 7)

Intertemporal choice (Ch. 17)

Producer Theory (2 weeks)

Production functions (Ch. 9)

Cost minimization problem (Ch. 10)

Profit maximization problem (Ch. 11)

Equilibrium (3 weeks)

Single market equilibrium (Ch. 12)

General equilibrium (Ch. 13)

Introduction to Market Failures (1 week)

Externalities (Ch. 19)

Market power (Ch. 11 and 14)

Information (Ch. 18)

9. TA Sessions (Approximate)

Week 1: Math review.

Week 2: Math review.

Week 3: Consumer theory.

Week 4: Consumer theory, HW 1.

Week 5: Consumer theory, review for midterm.

Week 6: Producer theory, HW 2, review midterm.

Week 7: Producer theory.

Week 8: Single market equilibrium, HW 3.

Week 9: General equilibrium.

Week 10: Course review, HW 4.

10. Holidays

There will be no class on:

Veteran's Day - Tuesday Nov 11th.

Thanksgiving - Thursday 27th November.

11. Success in Econ 11

While students may differ in studying habits, past experience suggests several keys to success:

1. Attend lectures and TA sessions. These go hand-in-hand, and both are central for your success in this class. Whereas the lectures present the new concepts, it is in the TA sessions that you really get to apply them.

2. Focus on problem solving and applying the relevant concepts. This is what exams and problem sets will be based on. Moreover, most of the concepts and theory will become much clearer once you see how they apply to specific problems.
3. Keep up with the material. Your brain retains more information if it has time to process material between classes. Cramming is a poor substitute for spread-out learning.
4. The course is not based on memorisation: I will test you on how well you can apply a fairly limited number of concepts.