Class code: FA17_ECON-UA_9010_G0L_001
Instructor Details: Dr. Donald Verry

Class Details: Location TBC
Prerequisites: Economic Principles II (V31.0002 or C30.0001) and Calculus I (V63.0121).

Class Description:
The aim of the course is to provide students with a thorough understanding of the core concepts and methods of microeconomics. The course can serve as a foundation for more advanced undergraduate electives which require a microeconomics background. Students will develop their understanding of economic models specified in standard mathematical and/or game theoretic terms. Course content includes core topics of consumption, production, and decision-making by firms (both with and without market power) as well as the analysis of market failure due to public goods and externalities. The core also includes an introduction to decision making under uncertainty. These topics are analyzed more deeply and more rigorously than in introductory principles courses. Depending on time available, the course may cover a selection of further topics. These include: asymmetric information, general equilibrium, behavioral economics, auctions. Because this course caters to the policy concentration stream, the level of mathematics is somewhat lower than it would be on the theory concentration, and the course will make extensive use of diagrams and stress the intuition of results. Nevertheless, intermediate microeconomics is rigorous and analytical. The calculus prerequisite is there for a reason and students will need to be familiar with basic differentiation, including partial differentiation. While the level of mathematics is not advanced, all students of intermediate microeconomics must be prepared for some mathematical analysis.

The course is taught in 14 three-hour sessions. Each of these will be a combination of traditional lectures, problem-solving, discussion of homework and assessments, and open question and answer time. The mix of these components is not fixed and will vary from week to week.

The topics listed below for each session should be regarded as a guide. While the objective is to adhere as closely as possible to the outline, the rate at which the course progresses can not be predicted exactly (unless the teacher is unresponsive to the needs of the class). For this reason, it may be possible to proceed more rapidly (and introduce some supplementary topics) or necessary to take things a bit more slowly, in which case some minor trimming of the course content may be required.

Desired Outcomes:
At the completion of the course students should:
- be familiar with the main elements and techniques of microeconomic theory at intermediate level.
- be able to solve and interpret stylized problems based on microeconomic models.
- be able to use these models to analyze real-world microeconomic phenomena and to evaluate issues of microeconomic policy.

Assessment Components:
The assessment has three components:
- Final exam (2.5 hours) covering whole course: 45% of final grade.
Two mid-term tests of approximately 90 minutes duration. The first will cover material from the beginning of the course up to the last lecture before the test. The second will cover the material covered after the first test and up to the lecture in the week prior to the second test (i.e. the second test is not cumulative). The dates are given below. Further information will be given in class and a specimen test paper will be available on NYU Classes to show the format of the tests. The highest graded mid-term will count for 25% of the final grade, the other mid-term 20%. Total 45%.

Homework and class participation: 10% of final grade. This component is an evaluation of commitment and effort rather than a reward for producing correct answers to homework or to questions asked in class. What is being assessed is the extent to which a student is engaged with the course on a consistent basis. Occasionally a student struggles on this course; that would not mean that he or she could not be favorably assessed under this heading, provided that the required commitment were present. Any student found copying homework answers from the internet or from other students will be marked down heavily in this component.

Failure to submit or fulfill any required course component results in failure of the class.

Grade A: Clear and thorough analysis, responding directly to questions set. Demonstration of both rigor and the ability to explain economic intuition.

Grade B: Well organized, clearly expressed response to questions asked. Evidence of good analytical skills and appropriate reading.

Grade C: Answers broadly correct with effective grasp of basic concepts. Ability to apply material from textbook and lectures, but lacking depth and subtlety.

Grades D & E: Some effort and understanding although analysis may be incomplete and/or flawed.

Grade F: Evidence of lack of effort and/or containing significant errors in even basic parts of answer. Incomplete/incorrect exposition of material from textbook/lecture notes. Lack of understanding of significant portions of core course content.

Assessment Expectations

Required Text(s)
ISBN: 978-1-118-71638-0

Supplemental Text(s) (not required to purchase as copies are in NYU-L Library)
There are many good intermediate microeconomics texts. Here are three popular and respected ones, any of which you could use as a backup/supplement to the main text. You should use a recent addition, preferably the latest:


For those who have not read it, Freakonomics, in one of its several versions, is quite fun. An interesting non-technical coverage of some of the course material is: McMillan, John Reinventing the Bazaar. Further reading can be suggested on request. The Truth About Markets by John Kay is also insightful and interesting.

Internet Research Guidelines
N/A
**Additional Required Equipment**

N/A

**Session 1**  

**Session 2**  
Consumer preferences, budget constraint. Consumer choice.  
**BB** chapters 3 & 4.  
1st homework due.

**Session 3**  
Demand and consumer welfare  
**BB** chapter 5.  
2nd homework due.

**Session 4**  
Production. Cost minimization  
**BB** chapters 6 & 7.  
3rd homework due.

**Session 5**  
First mid-term assessment.  
Cost functions.  
**BB** chapter 8.

**Session 6**  
Profit maximization. Factor demands.  
**BB** chapter 9.  
4th homework due.

**Session 7**  
Competitive markets -- short and long run behavior.  
**BB** chapters 9 & 10.  
5th homework due.

**Session 8**  
Market power I; monopoly and monopsony, price discrimination, bundling.  
**BB** chapters 11 & 12.  
6th homework due.

**Session 9**  
Market power II. Monopolistic competition, Cournot, Bertrand and Stackelberg models of oligopoly.  
**BB** Chapter 13.  
7th homework due.

**Session 10**  
Game Theory I  
**BB** chapter 14.  
8th homework due.

**Session 11**  
Second mid-term assessment.  
Game Theory II
BB Chapter 14.

**Session 12**
Risk and uncertainty
BB chapter 15.

9th homework due.

**Session 13**
Public goods and externalities
BB chapter 17.

10th homework due.

**Session 14**
Topic to be confirmed
BB chapter **

**Session 15**
Final Examination.

**Classroom Etiquette**
- Please arrive punctually as lectures begin on time and late arrivals disrupt others.
- Phones must be turned off during classes (there is a break in each session during which phones can, of course, be used).
- Laptops, tablets etc can be used to follow lecture handouts but for no other purposes.
- NYU has a no-eating policy in its Bedford Square classrooms.

**Required Co-curricular Activities**
None

**Estimated Travel Costs**
N/A

**Suggested Co-curricular Activities**
London has a rich menu of lectures and events, many of which are directly or indirectly relevant to economics students. In particular both the London School of Economics and University College London have interesting public lecture series and are within easy reach of the Bedford Square site. Details of such programs are circulated to students by NYU iL.

**Your Instructor**
The majority of my academic career was spent in the Department of Economics at University College London, where I still hold a position as a part-time Teaching Fellow. Until recently I also work at the London School of Economics as the Academic Coordinator for the Economics courses taught on the University of London International Programmes (a distance learning programme for which the LSE is the lead college for economics).

I have taught microeconomics, public economics, labour economics and other assorted courses. My research interests are labour and human capital (economics of education). In these latter fields I have acted as a consultant to various international organizations such as the OECD and the UNDP.
Outside of economics I am interested in the visual arts including photography. I support Arsenal and, especially, the All Blacks.

NYU GLOBAL ACADEMIC POLICIES

Policies and procedures for Global Academic Centres, including policies on academic integrity and the Study Away Standard, can be found here: https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/student-services.html

Absences: Key information on NYU London’s absence policy, how to report absences, and what kinds of absences can be excused can be found here: http://www.nyu.edu/london/academics/attendance-policy.html

NYU London work submission policies can be found here: http://www.nyu.edu/london/academics/academic-policies.html

Classroom conduct: Academic communities exist to facilitate the process of acquiring and exchanging knowledge and understanding, to enhance the personal and intellectual development of its members, and to advance the interests of society. Essential to this mission is that all members of the University Community are safe and free to engage in a civil process of teaching and learning through their experiences both inside and outside the classroom. Accordingly, no student should engage in any form of behaviour that interferes with the academic or educational process, compromises the personal safety or well-being of another, or disrupts the administration of University programs or services.

Please refer to the NYU London Disruptive Student Behaviour Policy at https://goo.gl/Nvt5Vu for examples of disruptive behaviour and guidelines for response and enforcement.