Intermediate Microeconomics

Instructor Details
Ayala Arad
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054 4414454
Office Hour:

Time: Location:
In addition, the lecturer will be available after most classes for students’ questions.

Class Details
Fall 2010

Time: Location:

Prerequisites
Economic Principles II and Mathematics for Economists ??

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 subsequent study of advanced undergraduate electives requiring microeconomic background. Students will develop their understanding of economic models specified in standard mathematical and/or game theoretic terms. The course focus is on topics of consumption, production, and market structure. These topics are analyzed at a deeper and more rigorous level than in introductory principles courses. Depending on time available, the course will also cover additional topics such as risk and uncertainty, asymmetric information and public goods and externalities.

The course is taught in 14 three hour sessions. The first half of each teaching session will be used for traditional lectures. Sometimes these will continue into the second half of the session (after a break of 15-20 minutes), but this time will also be used
for discussion, problem-solving and discussion of homework. Problem sets will be assigned in each session and will be due to the next session (a week later).

The topics listed below 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 depends on a number of unpredictable factors. For this reason, it may be possible to proceed more rapidly (and introduce some supplementary topics) or necessary to take more time (in which case some adjustment of the course content may be required).

Assessment Components
- Weekly home assignments: 20%.
- Final exam (three hours): 80%.
- Sometimes the students will be asked to respond to on-line questionnaires prior to the session. Participation in these tasks is mandatory.

Late submissions of home assignments will not be accepted.

Attendance in class is not mandatory but is recommended.

Final exam date:

Supplemental Texts

Students will be referred to the relevant chapters for each topic.
**List of Topics**

**Topic 1:** Introduction to the course, preferences, utility representation

**Topic 2:** Choice, rationality, behavioral economics concepts

**Topic 3:** Consumer preferences, budget constraint, consumer choice

**Topic 4:** Demand and consumer welfare

**Topic 5:** Production, cost minimization, cost functions

**Topic 6:** Profit maximization, factor demands

**Topic 7:** Competitive markets -- short and long run behavior

**Topic 8:** Monopoly, various forms of price discrimination, bundling

**Topic 9:** Introduction to game theory, static games, behavioral game theory

**Topic 10:** Cournot and Bertrand models of oligopoly

**Topic 11:** Sequential games, Stackelberg model of oligopoly

**Topic 12:** Decision making under Risk and uncertainty

**Topic 13:** Asymmetric information, adverse selection

**Topic 14:** Public goods and externalities