Course Description

This course is an introduction to microeconomic analysis: the study of how our economy works to allocate scarce resources among consumers and firms. The course will develop a theoretical framework for this analysis and show how this framework can be applied to real-world issues such as global warming, health care reform, poverty, the regulation of mergers and the role of markets in the economy.

The first half of the course will focus on models of "perfect" competition, with an emphasis on the conditions necessary for achieving efficiency in production and distribution. The second half will emphasize departures from perfect competition and the role of government in our mixed economy.

The course format is two lectures per week, plus small class sections with the teaching fellows. The times of the sections will be arranged during the second week of classes. Use the website https://students.yale.edu/ocs-preference/select/select?id=4195 to select your section. You may sign up to reserve a discussion section by registering your section preference for this course beginning 8:00AM on Monday, September 5. Selection closes at 8:00PM on Tuesday, September 6. You may change your mind and reset your preferences as often as you wish during the preference selection window. If you do not sign up before closing on Tuesday, you will need to go to OCS (online course selection) after 9.00AM on Wednesday September 7 to try to find an open seat.

There will be weekly problem sets (20% of the grade), one-midterm exam (30% of the grade) and one final exam (50% of the grade).

Textbook

Microeconomics by Bernheim and Whinston, McGraw-Hill, 2007
Meeting Time: MW 1.00-2.15, SLB AUD.

Udry Office Hours: W 2.30-4.00, room 21, 27 Hillhouse Ave.

Teaching Fellows

Small class sessions will begin during week 2. The teaching fellows for the course are:
Erica Blom: erica.blom@yale.edu (head TF)
Alex Cohen: alex.w.cohen@yale.edu
Sabyasachi Das: sabyasachi.das@yale.edu
Adam Kapor: adam.kapor@yale.edu
Taeyoung Kim: taeyoung.kim@yale.edu
Muthoni Ngatia: muthoni.ngatia@yale.edu
Jaqueline Oliveira: jaqueline.oliveira@yale.edu
Adam Osman: adam.osman@yale.edu
Jamin Speer: jamin.speer@yale.edu
Course Schedule

Exact dates and readings subject to revision.

- **Introduction**
  - 8/31: What is (Micro-) Economics? Read Chapter 1 plus online “intro” notes (see “resources” on classesv2.yale.edu)

- **Supply and Demand**
  - 9/5-9/7: Supply and Demand, Chapter 2 plus pp. 539-546.
  - 9/12: Benefit and Cost, Chapter 3

- **Consumer Behavior**
  - 9/14-9/19 Consumer Preferences, Chapter 4
  - 9/21: Individual Demand, Chapter 5

- **Production and Firm Behavior**
  - 9/26 Production, Chapter 7
  - 9/28 Cost, Chapter 8
  - 10/3 Profit Maximization, Chapter 9
  - 10/5 Economic Efficiency, Chapter 14 plus pp. 547–559.
  - 10/10 Equity and Efficiency, online hand-out to be distributed

- **10/12 Review for Midterm**

- **10/17, Midterm**, in class. No make-ups without Dean’s excuse.
• Monopoly and Imperfect Competition
  – 10/19, Monopoly, Chapter 17
  – 10/24, Price Discrimination, Chapter 18
  – 10/26, Strategic Behavior, pages 403-423.
  – 10/31-11/2, Oligopoly, Chapter 19

• Further Topics in Applied Microeconomics
  – 11/7, Oligopoly, Cont.
  – 11/9, Public Goods, handout to be distributed online
  – 11/14 Externalities and Pollution, Chapter 21
  – 11/16 Savings and Investment, Chapter 10,11
  – (Thanksgiving Break)
  – 11/28 Risk, Finance and Insurance, Chapter 12
  – 11/30 Course Conclusion and review

• 9:00 AM, Saturday, 12/10: Final Exam. No make-ups without Dean’s excuse.