

Economics 101  
Intermediate Microeconomic Theory  
Fall 2016

Prof. Vroman  
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Course Web Page on Blackboard: [campus.georgetown.edu](http://campus.georgetown.edu)

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Recitations: Thursday, 7:00 – 7:50 PM, ICC 107  
Thursday, 8:00 – 8:50 PM, ICC 105

**Text:** Varian, Intermediate Microeconomics: A Modern Approach, Ninth Edition, Norton, 2014.

**Overview:** This course covers the basic microeconomic theory. It is designed to formalize and extend the material introduced in the Micro Principles course. Many of the topics were covered in Principles, e.g., consumer theory, equilibrium analysis, externalities, and public goods, but more informally. Some topics such as game theory and asymmetric information are less familiar.

The course will use formal mathematical analysis, which will include algebra and calculus with an emphasis on optimization and the solution of simultaneous equations. While calculus is essential for a modern treatment of Microeconomics, graphs will also be used to help build intuition for the results. Students without a strong mathematical background are encouraged to see me early in the semester if they are having problems with the math.

**Organization:** There will be *approximately* 10 problem sets. The purpose of the problem sets is to give you practice in formulating and solving Microeconomic problems with the techniques developed in the course. Doing problem sets is the best way to learn Microeconomics. Weekly recitations will go over the class material and the answers to the problem sets.

**Grading:** In calculating the grades, the problem sets are given a weight of 10%, the first midterm 20%, the second midterm 30%, and the final, which is cumulative, 40%. The midterms will be given in class. The first midterm will be on **October 5** and the second will be on **November 2**. There will be no makeup exams. If you miss an exam; you will receive a grade of zero. In case of a medical or family emergency, you will need permission to miss a midterm and if so, all the weight of the missed exam will be put on the other midterm.

**Office Hours:** Monday 5:00 – 7:00 PM and by appointment.

**Honor Code:** All students are expected to abide by the Georgetown Honor Code. Any student found in violation of the Honor Code will receive an F for the course in addition to any penalties imposed by the Honor Council.

## Course Outline:

Introduction and Review of Mathematical Techniques: Ch. 1 & Mathematical Appendix

Preferences: Ch. 3

Utility: Ch. 4

Budget Constraint: Ch. 2

Consumer Choice: Ch. 5

Demand: Ch. 6

Slutsky Decomposition: Ch. 8

Buying and Selling: Ch. 9

Intertemporal Choice: Ch. 10

Choice under Uncertainty: Ch. 12

Consumer Surplus: Ch. 14

Partial Equilibrium: Ch. 16

Auctions: Ch. 18 (Ch. 17 in the 8<sup>th</sup> Edition)

General Equilibrium: Exchange: Ch. 32 (Ch. 31 in the 8<sup>th</sup> Edition)

General Equilibrium: Production: Ch. 33 (Ch. 32 in the 8<sup>th</sup> Edition)

Monopoly: Ch. 25 (Ch. 24 in the 8<sup>th</sup> Edition)

Game Theory: Chs. 29 and 30 (Chs. 28 and 29 in the 8<sup>th</sup> Edition)

Oligopoly: Ch. 28 (Ch. 27 in the 8<sup>th</sup> Edition)

Asymmetric Information: Ch. 38 (Ch. 37 in the 8<sup>th</sup> Edition)

Externalities: Ch.: 35 (Ch. 34 in the 8<sup>th</sup> Edition)

Public Goods: Ch. 37 (Ch. 36 in the 8<sup>th</sup> Edition)