

Economics 100A: Microeconomics

Fall 2005

General Information

Professor: Navin Kartik

Office: Economics Building, Room 322

Office Hours: Tuesday, 2.30-5.00pm

Email: nkartik@ucsd.edu (this is the best way to reach me)

Course webpage: <http://econ.ucsd.edu/~nkartik/Teaching/100A>

Please check the webpage regularly. It will contain handouts, announcements, and updates.

Teaching Assistants:

Name	Office	Email
Samuel Dastrup	Sequoyah 207	sdastrup@ucsd.edu
Yong-Gook Jung	Econ 115	yongjung@ucsd.edu
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Tess Scharlemann	Econ 125	tscharle@ucsd.edu

Meetings: Lectures are on Tuesday and Thursday (8.00-9.20am in Ledden Auditorium if you are in the morning class; 12.30pm-1.50pm in Center Hall 119 if you are in the afternoon class). TA sections and office hours will be posted on the course webpage. I urge you to attend at least one TA section a week so that you can go over homework problems and any mathematical concerns.

Course Content

This course is the first of a two-part upper division sequence in microeconomics. We will delve in depth into many topics that were touched upon in your introductory course. These include consumer choice and demand, resource cost and firm production, and the theory of competitive markets. The class emphasizes mathematical analysis in developing the theory, but will also discuss applications to demonstrate the use of concepts.

Prerequisites

You need to have taken the prerequisite courses listed in the UCSD catalog (Economics 1-2-3 and Mathematics 10/20A-B-C). The general rule is that you should be comfortable with introductory microeconomics and calculus. Let me emphasize the latter point: if you have trouble with basic calculus, this course may be inappropriate for you. *Talk to me early on if you are unsure about your preparation.*

Course Material

The textbook for the course is MICROECONOMIC THEORY: BASIC PRINCIPLES AND EXTENSIONS, 9th edition, by Walter Nicholson, South-Western Educational Publishing. You can use an older edition of the textbook – I am wholly in favor of you saving money, given the exorbitant price of the book – but it is *your* responsibility to ensure concurrence with the 9th edition (e.g., the 8th edition should be fine, but there are some chapter organizational differences that you need to be wary of). The bookstore also has copies of the accompanying Workbook: STUDY GUIDE TO ACCOMPANY MICROECONOMIC THEORY: BASIC PRINCIPLES AND

EXTENSIONS, prepared by David Stapleton, South-Western Educational Publishing. Though this is not a requirement, the exercises it contains are a useful tool to practice for exams and test your understanding of the material.

There are many other textbooks you can use as supplements to Nicholson if you wish. The most widely used alternative is “Intermediate Microeconomics: A Modern Approach,” by Hal Varian (most recent is 6th edition, W.W. Norton). See me if you want other recommendations. Please note, however, that Nicholson is intentionally quite mathematical in nature; you cannot substitute for it with a non-calculus-based book.

Exams & Grading

Midterm 1: Tuesday, October 18, class time

Midterm 2: Thursday, November 10, class time

Final Exam: Finals week, per Registrar’s schedule

Your grade will be a weighted average of your performance on two midterm exams (~25% each) and the final exam (~50%). The 25-25-50 weights are approximate, and I might adjust them in your favor depending on your individual distribution of scores. The first midterm exam will only test material covered up until then; the second midterm exam will focus on the material taught after the first midterm, but could include earlier material as well. The final exam will cover material from the entire quarter.

I will also assign homework problem sets regularly. They will not be graded and you do not need to turn it in. However, *you are strongly urged to take them seriously and attempt all assigned problems*. The TA’s will go over solutions during their weekly sections.

Succeeding in the Course

Doing well in this course requires you to not only attend lectures, sections, and read the textbook, but moreover to practice solving problems. Problem-solving is the only way to succeed. Glancing at the solution to a problem and just verifying if you understand it is not enough; you must try and solve the problem yourself before checking a solution. I encourage you to attempt solving as many problems as you can on the topics we cover. These include—but are not limited to—the homework problems I assign, the end of chapter exercises in the Nicholson textbook, and the corresponding problems in the Nicholson workbook. Don’t hesitate to ask me if you want more problems to solve. The TA’s will work through exercises in their sections; this will be most beneficial to you only if you have already attempted some on your own first.

To sum up: unless you learn to solve problems on your own, you will have difficulty in the exams, never mind mastering the material. The only way to acquire this skill is through practice.

Administrative Issues

The Economics department offices handles all matters related to dropping or adding the course, wait lists, etc. Please contact them (Sequoyah Hall 245) regarding these issues. Note that Economics 100A is offered again in the Winter and Spring quarters this year.

You are expected to take all three exams. Make-ups will not be offered except perhaps if you have an exceptional medical circumstance that is properly documented (even then, no guarantees). Exams are closed book: you may not use any notes, electronic devices, books, or

consult other classmates. If you have any doubts about what constitutes academic dishonesty, talk to me in advance.

If you believe an exam has not been properly graded, you must submit a re-grade request to me *in writing within 2 days* from when it was returned to you. You must explain clearly why you believe your score is in error. I will then go over the *entire* exam and change your score *either up or down* as is necessary—you cannot have me re-grade only part of the exam. Hence, by submitting a re-grade request, you run the risk of having your score decrease (if you were awarded points generously elsewhere on the exam), so please consider the decision carefully.

If you have a documented disability, please talk to me early on, and I will make suitable accommodations for exams.

Schedule of Topics

This is a rough guide only, and coverage is subject to change. The chapters refer to the Nicholson textbook.

DATES	TOPICS	CHAPTERS
Sept 22 and Sept 27	Introduction & Math Review	1 & 2
Sept 29, Oct 4, and Oct 6	Preferences, Utility, and Choice	3 & 4
Oct 11 and Oct 13	Comparative Statics of Demand	5 & 6
<i>Oct 18</i>	<i>Midterm 1</i>	
Oct 20 and Oct 25	Theory of Production	7
Oct 27 and Nov 1	Theory of Cost	8
Nov 3 and Nov 8	Profit Maximization	9
<i>Nov 10</i>	<i>Midterm 2</i>	
Nov 15 and Nov 17	Partial Equilibrium with Perfectly Competitive Markets	10
Nov 22	Welfare and Policy	11
<i>Nov 24</i>	<i>No class: Thanksgiving</i>	
Nov 29	Welfare and Policy (continued)	11
Dec 1	Review	