Econ 100A: Intermediate Microeconomics: Preferences, Choice, and Demand

Dr. Jesse Bull

Office: Economics 112
Office Hours: T 11:00am–1:00pm
Email: jbull@ucsd.edu
Course web page: http://weber.ucsd.edu/~jbull/100a.html

Lecture: T TH 9:30–10:50 a.m. York Hall 2622 Spring 2008.

Sections: W 7:00–7:50 p.m. Solis Hall 104

and W 8:00–8:50 p.m. Solis Hall 104.

Teaching Assistants:

TA	Office Hours	Office	email
Elisa Hovander	W 2 to 3pm	Economics 125	ehovande@ucsd.edu
Philip Neary	W noon to 1pm	Economics 128	pneary@ucsd.edu

Examinations: There will be two midterm examinations (in class on **April 17th** and **May 15th**) and a final examination.

Grading: based on midterms (25% each), and final (50%) scores.

Course Objectives: As the first of the microeconomic sequence, Econ 100A is designed to teach you how to set up, solve and analyze optimization models and apply these mathematical models to the theory of the consumer (commodity demand, labor supply and consumption/savings decisions). Finally we will examine the fundamentals of decision making under risk and uncertainty.

Although homework will not be graded, it is the best practice for the exams. So I strongly encourage you to attempt all homework problems. The Teaching Assistants will explain the solutions to problems in detail during section.

Required Readings: Perloff, Jeffrey M. (2008), *Microeconomics: Theory and Applications with Calculus*, 8th edition, Pearson Education, Inc.

Machina, Mark (2006), "Math Handout

Other Readings: You may find other textbooks to be helpful supplements to the Perloff text.

One of these is Nicholson, Walter, *Microeconomic Theory.*

One free option is an online introductory textbook written by Preston McAfee of Caltech. For the most part, the level of this book is between Econ 1 and Econ 100A. It is available at http://www.introecon.com/

A math tutorial that you may find helpful is Mathematics Tutorial for Economists by Martin Osborne at the University of Toronto. Chapters 1-6 of this will help you review the calculus tools that you learned in Math 10ABC or 20ABC that are the most important for this course. It is available at
http://www.economics.utoronto.ca/osborne/MathTutorial/index.html

Administrative Issues:

1. If you have a documented disability, please bring your documentation and come to talk to me as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities, Building 202 University Center as soon as possible. For information on the steps for academic accommodation, please see http://www-senate.ucsd.edu/manual/appendices/app3.htm.

2. Any student found guilty of academic dishonesty will earn a grade of an F for the course. In addition to this academic sanction that I will impose, the Council of Deans of Student Affairs will also impose a disciplinary penalty. For a review of UCSD policy, please see

   http://www-senate.ucsd.edu/manual/appendices/app2.htm.

3. You will only need a pen or pencil for exams. Exams are closed book and you may not use notes. Exams are completely electronic-free: no calculators, headphones, cell phones, etc. are to be used during an exam.

4. If you arrive late to an exam, I will allow you to take the exam in the time that remains as long as no one has turned in his/her exam and left the room. If a classmate has already turned in his/her exam and you arrive late, you will earn a zero on the test.

5. Any request for a regrade of an exam must be made within one week of the exam being returned. If there is a mistake adding up the points on your exam and it is brought to my attention within one week of the exam being returned, I will correct it. However, if you believe an exam has not been graded properly and you request a regrade within one week of the exam being returned, I will regrade your entire exam. The regraded score will be your grade for the exam. You may not ask for another regrade or go back to your first grade.

   To request a regrade, you must write a brief explanation (on a separate sheet of paper) that states which problem you believe was incorrectly graded, describes the part of your answer you believe warrants additional points, and is signed

(and dated) by you. You may not ask for a regrade of your exam if you have added to or changed any answer on your exam.

6. There will be no makeup exams. If you have to miss a midterm for a medical or other University approved reason, the weight will be allocated to the final exam. In that case, you will need to provide proof of your situation. The weights will not be reallocated for any other reason.

7. UCSD now has automated waitlists. If you have any questions regarding adding the class, please refer to Triton Link or contact the undergraduate advisors in Sequoyah Hall 245

Topics

1. **Introduction and Math Review**

   Chapters 1 and 2

   Calculus Appendix: A.1–A.3

   Machina Mathematical Handout

2. **Consumer Preferences**

   (a) Axioms of rational choice

   (b) Utility functions

   (c) Level curves of utility functions—indifference curves

   (d) Marginal rate of substitution

   Chapter 3: 60–67

3. **Common Utility Functions:** Cobb-Douglas, Leontief, Perfect Substitutes, CES

   Chapter 3: 67–74

4. **The Budget Constraint**

   Chapter 3: 74–76

5. **Mathematical Review: Optimization**

   Calculus Appendix: A.4–A.6

   Machina Math Handout

6. **Utility Maximization and Demand Functions**

   Chapter 3: 76–89

   Midterm 1 will tentatively cover through here.

7. **Comparative Statics of Demand**

   (a) Income Changes

   (b) Price changes (income and substitution effects)

   (c) Compensated price changes and compensated demand functions

   (d) Slutsky equation

   (e) Demand relationships among goods

(f) Measures of consumer welfare

Chapter 4 and Chapter 5: 130–152

Midterm 2 will tentatively cover through here.

8. **Supply of Labor: the Labor-Leisure Decision**
Chapter 5: 152–164

9. **Decision Making under Risk and Uncertainty**
Chapter 16