

Prof. Lixin Ye
Office hours: Thursday 1:30-3:30PM, 449A Arps Hall

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Economics 501.02: Intermediate Microeconomics Winter 2012

This is a calculus-based intermediate course in microeconomics. This course will try to achieve two goals, the first is to provide you with the basic tools necessary to tackle economic problems in a systematic way, and the second is to develop basic economic intuitions that can help you understand economic puzzles or policy problems. These two goals are inherently linked: the first provides a general framework to think about the world around us and the second develops intuitions from that framework. Those of you who intend to pursue further studies in economics will require the tools developed in this class for later course work, while those of you with only a casual interest in economics will, hopefully, be able to use the intuitions from this course to make more sense of the world around you.

Required Text:

Thomas Nechyba, *Microeconomics: An Intuitive Approach with Calculus*, South-Western, CENGAGE Learning.

Grading:

Your course grade will be computed as follows: 20% homework, 30% midterm exam, 50% final exam. I do, however, reserve the right to count the final exam more heavily for those who do exceedingly well on it. There will be approximately 6 homework assignments, which will be graded by your course TA. No late homework can be accepted. No make-up exam for the midterm will be given; students who have a pre-approved excuse for missing the midterm will have the final exam counted for 80% of the grade.

Course Website:

I will post important class announcements and teaching materials (lecture notes, homework, homework solutions) to the course website via Carmen.

Course TA:

TBA

Course Outline (tentative):

1. Introduction (1 class, Ch. 1)

Microeconomics, microeconomic modeling, equilibrium, positive and normative analysis, comparative statics, efficiency.

2. Consumer Theory (approx. 6 classes, Ch. 2-10)

Consumer choice sets, budget constraints, budget lines, economic circumstances in labor and financial markets, Tastes/preferences, indifference curves, different types of preferences, utility functions, marginal rate of substitution, consumer optimal choice, utility maximization, demand functions, substitution effects, income/wealth effects, normal/inferior/Giffen goods, expenditure minimization.

3. Production Theory (approx. 4 classes, Ch. 11-13)

Production plan, production set, production functions, marginal products, marginal rate of technical substitution, isoquant, return to scale, profit maximization, profit function, input demand functions, two-step profit maximization, cost minimization, cost function, (conditional) input demand functions, output supply in the short run and long run, short-run equilibrium and long-run equilibrium.

4. Perfect Competition (approx. 3 classes, Ch. 14,18,19)

Perfectly competitive markets, competitive market equilibrium, elasticities, consumer surplus, producer surplus, deadweight loss, welfare analysis of public policy interventions (e.g., price floors, price ceilings, taxes, subsidies).

5. Monopoly (1 class, Ch. 23)

Monopoly, monopoly pricing, inverse elasticity pricing rule, deadweight loss with a monopoly, barriers to entry and natural monopoly.

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.