

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF ECONOMICS
Elements of Economic Analysis IV
Fall 2001
Course Syllabus

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Course Logistics

Office hours: Class meets Mondays, Wednesdays, and Fridays from 9:30am to 10:20am in xxxx. There will a problem session at a time and place to be announced. Victor's office hours will be on Tuesday from 7pm to 8pm in the C-Shop. The TA's office hours will be announced in class on Wednesday, September 26. You may also make appointments directly with us.

You should check the course homepage at

<http://home.uchicago.edu/~vlima/courses/econ201/index.html>

regularly for information relating to the course.

Required Textbooks

Varian, Hal. Intermediate Microeconomics: A Modern Approach. 5th ed. Norton. 1999.

Also lecture notes will be made available periodically.

You can buy Varian's textbook at the University Bookstore.

Prerequisites

Economics 200 or consent of the instructor.

Course Description

In **Elements of Economic Analysis II** we continue the development of the microeconomic model that we began to study in **Elements of Economic Analysis I**. This consists, roughly, of three parts. We will study the production side of the economy under the assumption that the firm faces competitive factor and product markets. There are two approaches to this problem. We will begin with cost minimization and then we will move to profit maximization. Then we will study industry supply and welfare. The second topic is exchange of a production

economy. We will study the market interaction of firms and consumers. After the midterm we will study a set of topics that deviate from the competitive paradigm. We will begin with market structure studying monopoly and price discrimination as well oligopoly. Then we will study externalities and public goods. The course will end with an analysis of asymmetric information.

Grading

There will be six to eight problem sets, a midterm exam, and a final exam. You are encouraged to work together on the problem sets, but every student enrolled in the course must hand in an individual copy. **If you work with other students you must also write down the name of your partners on your homework.** It is in your self-interest to be neat as partial credit depends heavily on clarity! Both exams will be closed books and closed notes. The exams and the problem sets will count toward the grade as follows:

Problem Sets	: 20%
Midterm	: 30%
Final	: 50%

These percentages cannot be changed. The course consists of 20 lectures which are detailed in the lecture schedule. The midterm will be in class during the 5th week. Problem Sets will be handed out on Wednesdays and are due in class on Wednesday of the following week. The date for the final exam will be determined according to the College Examination Schedule. Both dates are unchangeable.