

Intermediate Microeconomics

RIEM · Southwestern University of Finance and Economics

Fall 2024

1 Contact Information:

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- Teaching assistant: TBA
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- Course schedule: Section 1 - Thurs 1:00-3:35PM @C401
Section 2 - Thurs 6:30-9:05PM @C301

2 Course Introduction and Requirements:

This is an undergraduate course in Microeconomic Theory. Its purpose is to introduce students to the modern microeconomic theory. At the end of the course, students should have a good understanding of how economists model individual consumer and firm behaviors and be able use the models to explain and predict a wide range of observed economic phenomena. Students taking this course should be comfortable with materials from the first year introductory economics and basic multivariable calculus.

The textbooks for the course are:

推荐教材:《西方经济学》编写组,《西方经济学(上)》,高等教育出版社人民出版社

参考教材:《微观经济学:现代观点》范里安格致出版社,上海三联书店,上海人民出版社联合出版

There will be six problem sets, a midterm, and a final. The grading scheme for the course is

$$0.20 \text{ PS} + 0.40 \text{ MT} + 0.40 \text{ Final}$$

Problem sets should be turned in on A4-size papers and **stapled** together. Late problem sets will receive 20 percent deduction for each day they are late, provided that the solution has not been posted. Late problem sets will not be accepted after the solution has been posted.

The midterm will be held on the week of Nov. 11, and the final will be announced when they are finalized. Please note that a make-up midterm will not be given. If a student misses the midterm for a legitimate reason (prior approval by the instructor and/or a serious illness on the day of the exam documented by the student health center), the weight of the midterm will be shifted to the final exam.

3 Academic Integrity

Students must be academically honest in all their course work and not tolerate academic dishonesty of others. Students must understand and agree that all of the academic honor codes of the Southwestern University of Finance and Economics strictly applies to this course. Note in particular that students are allowed to work together and help each other on the **problem sets** in this course. However, the solutions each student turn in must be written in the student's own words.

4 Tentative Course Outline

1. Consumer theory

- Preference.
- Budget constraint.
- Utility maximization.
- Two-period consumption model and leisure-consumption model.
- Expenditure minimization.
- Substitution and income effects.

2. Producer theory

- Production technology.
- Production in the short run.
- Production in the long run, cost minimization.
- Profit maximization.

3. Market Equilibrium

- Basics of Supply and Demand: Competitive Equilibrium, Market Demand, Short-Run Market Supply, and Long-Run Market Supply.
- Elasticities.
- Policy Intervention: Tax and Subsidies, Price Ceiling and Floor, Import Tariffs and Quotas.

4. Monopoly

- $MR = MC$ pricing.
- 1st degree price discrimination.
- 2nd degree price discrimination.
- 3rd degree price discrimination.

5. Exchange

- Edgeworth box.
- Pareto optimality.
- Competitive equilibrium.
- Welfare theorems.

6. Oligopoly and Game Theory

- Strategic form games and Nash equilibrium.
- Cournot, Bertrand, and Hotelling competitions.
- Extensive form games and subgame perfect Nash equilibrium (time permitting).
- Applications of subgame perfect Nash equilibrium (time permitting).