

## **ECO 301**

### **INTERMEDIATE MICROECONOMICS**

Monsoon 2014

Gitanjali Sen

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Meets (in class) on Tue/Thu: 10:30 – 11:55 am

**PREREQUISITES:** ECO 101 (Principles of Microeconomics), MAT 101 (Calculus).

#### **COURSE CONTENT:**

This course gives a detailed introduction to consumer and production theory. It discusses the market outcome of the interactions between the two agents- consumers and producers. We use the concepts developed in these theories to build the structure of welfare economics. We study the efficiency of markets in resource allocation and market failures.

#### **RECOMMENDED BOOK(S):**

1. Intermediate Microeconomics by Hal. R. Varian;
2. Intermediate Microeconomics with Calculus, by Roberto Serrano and Allan M. Feldman.

#### **ASSESSMENT SCHEME:**

Surprise quizzes + Assignments: 30%

Mid-term exam: 30%

Final exam: 40%

#### **BRIEF COURSE STRUCTURE:**

- I. **Introduction**
- II. **Theory of Consumers**
  - Utility, Preferences, Choice

- Demand
  - Consumer Surplus
  - Budget Constraints
- III. Theory of Firm**
- Production, firms' supply
  - Profit maximisation
  - Cost minimisation
  - Market equilibrium & Supply
- IV. Market Structure and Price determination**
- Perfect Competition
  - Monopoly
  - Oligopoly
  - Monopolistic competition
  - Walrasian Equilibrium
- V. Market Failures**
- Externalities
  - Public goods
  - Introduction: Game Theory
- VI. Welfare**

This is a tentative course plan, which can be revised by the instructor, if required.

**OFFICE HOURS:**

Tuesday and Thursday: 3:40 – 4:40 pm.

Students are strongly encouraged to meet me in office hours as much as possible. Apart from that, if you need extra help, please email me in advance to take an appointment.

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