



GEORGETOWN UNIVERSITY

Economics 101

Microeconomic Theory

Spring 2008

Professor: Ian Gale

galei@georgetown.edu

ICC 567

Office Hours: Tuesday, 10:00-12:00, or by appointment.

Course web page: www9.georgetown.edu/faculty/galei/Econ101.htm (contains handouts, problem sets, solutions, and old exams)

Teaching Assistant: Kamila Vetechova

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Recitation: Friday, 9:15-10:05, WGR 206.

Text: Varian, Hal R., Intermediate Microeconomics, Norton (2006, Seventh Edition).

Course Outline: This course covers the basic elements of microeconomic theory, including consumer theory, producer theory and game theory. We will study the behavior of individual economic actors (consumers, producers, and their agents), with a focus on the essential elements of equilibrium and optimization. The time devoted to each topic is subject to change. Much of the material will require formal mathematical analysis, which may include multivariable calculus or the solution of simultaneous equations. Graphical presentations will also be used extensively.

Grading: Six problem sets will be assigned. (The lowest score will be dropped.) There will be midterm exams in class on Monday, Feb. 25 and on Monday, Mar. 31. The final exam will be on Tuesday, May 6 at 12:30 pm. (No books, notes, calculators or cell phones may be used during exams.) The score from the problem sets will be given a weight of 10%, the higher (lower) midterm exam score will get 30% (20%), and the final exam score will get 40%.

There will be no make-up exams. If the University is closed because of the weather, for example, the exam will be given during the next class period. If you miss an exam you will receive a grade of zero. (In case of a medical or family emergency you may petition the Dean to be excused.) If you have three final exams within 24 hours, you may petition the Dean to take the conflict exam on Saturday, May 10 at 4:00 pm.

Honor Code: A student found to have violated the Georgetown Honor Code will receive a grade of F for the course, in addition to any penalties imposed by the Honor Council. The Honor Council web page can be found at <http://www.georgetown.edu/honor/>.

Class Schedule:

Date	Topic	Reading
Wednesday, Jan. 9	Introduction	ch. 1
Monday, Jan. 14	Mathematics Review	Mathematical Appendix
Wednesday, Jan. 16	Budget Sets	ch. 2
Monday, Jan. 21	No class (Martin Luther King Day)	
Wednesday, Jan. 23	Preferences	ch. 3
Monday, Jan. 28	Utility	ch. 4
Wednesday, Jan. 30	Consumer Choice	ch. 5
Monday, Feb. 4	Demand	ch. 6
Wednesday, Feb. 6	Slutsky Decomposition	ch. 8
Monday, Feb. 11	Buying and Selling	ch. 9, 10
Wednesday, Feb. 13	Uncertainty	ch. 12
Monday, Feb. 18	No class (President's Day)	
Wednesday, Feb. 20	Consumer Surplus	ch. 14
Monday, Feb. 25	Midterm exam	
Wednesday, Feb. 27	Partial Equilibrium	ch. 16
Monday, Mar. 3	No class (Spring break)	
Wednesday, Mar. 5	No class (Spring break)	
Monday, Mar. 10	Auctions	ch. 17
Wednesday, Mar. 12	General Equilibrium: Exchange	ch. 31
Monday, Mar. 17		
Wednesday, Mar. 19	General Equilibrium: Production	ch. 32
Monday, Mar. 24	No class (Easter)	
Wednesday, Mar. 26	Externalities	ch. 34
Monday, Mar. 31	Midterm exam	
Wednesday, Apr. 2	Monopoly	ch. 24, 25
Monday, Apr. 7		
Wednesday, Apr. 9	Game Theory	ch. 28, 29
Monday, Apr. 14		
Wednesday, Apr. 16	Oligopoly	ch. 27
Monday, Apr. 21	Information Technology	ch. 35
Wednesday, Apr. 23	Moral Hazard	ch. 37
Monday, Apr. 28	Adverse Selection	ch. 37