



GEORGETOWN UNIVERSITY

Economics 101
Microeconomic Theory
Spring 2011

Professor: Ian Gale - galei@georgetown.edu

ICC 567

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

Teaching Assistants: Jordan Marcusse - j.marcusse@gmail.com; Monica Robayo - mr493@georgetown.edu

Text: Varian, Hal R., *Intermediate Microeconomics*, Norton (2010, Eighth Edition).

Course Outline: This course covers the basic aspects of microeconomic 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. Much of the material will require formal mathematical analysis, which may include multivariable calculus. 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 Wednesday, Feb. 16, and on Monday, Mar. 28. The final exam will be on Wednesday, May 11, at 7:00 pm. (No books, notes, calculators or cell phones may be used during exams.) The numerical 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 closes for any reason, 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 14, at 4:00 pm.

Course Web Page: www9.georgetown.edu/faculty/galei/Econ101.htm (contains PowerPoint slides, problem sets, solutions, and old exams)

Honor Code: A student who is 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.

Class Schedule:

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

Assignments:

Problem set	Due date
1	Wednesday, Jan. 26
2	Wednesday, Feb. 9
3	Wednesday, Mar. 2
4	Wednesday, Mar. 23
5	Wednesday, Apr. 13
6	Monday, May 2