

Microeconomics for Masters Students 6610
Wednesdays 6:00-8:30 pm, BUC 304

David Kiefer
OSH 373
Office Hours: Wednesdays 8:30-9:00 pm
kiefer@economics.utah.edu

Course website: webct.utah.edu

This is a course in microeconomic theory for Masters students. Microeconomics is the study of individual agents (corporations, households, workers, farmers, and shopkeepers) in the market economy. Market theory is developed as the combination of theories about consumers, workers and firms, all in equilibrium. We also examine practical application and real world illustrations with imperfectly competitive business situations. My course goal is to teach you to think like an economist. The application of theory to new situations is emphasized in the assignments and exams.

The required textbook is Walter Nicholson and Christopher Snyder, **Microeconomic Theory: Basic Principles and Extensions**, 10th edition.

We begin with the assumption that students have studied economic principles to the level of supply and demand schedules and differential calculus to the level of maximization of functions of two variables.

The grading scheme is:

Homework assignments	30%,
Midterm examination (October 19 th 6:00 - 8:00 pm)	30%,
Final examination (December 14 th 6:00 - 8:00 pm)	40%.

The exam must be taken at the scheduled time. Late papers lose points.

Topic Outline

1. Introduction
 - scarcity
 - marginalist thinking
 - constrained optimizationNicholson and Snyder: chapters 1, 2
2. Choice and demand
 - demand schedules
 - supply schedules
 - market equilibrium
 - elasticity theory
 - utility functions and indifference curves
 - utility maximizing equilibrium
 - derivation of market demand curvesNicholson and Snyder: chapters 3-5
3. Production and supply
 - isoquants and production functions
 - deriving cost curves
 - deriving output supply and input demand functions
 - economies of scaleNicholson and Snyder: chapters 9-11 and 16
4. Perfect competition
 - short run profit maximum

market supply curves
long run competitive equilibrium
welfare analysis applied to taxation and tariffs
Nicholson and Snyder: chapters 12 and 13

5. Monopoly
 - economic efficiency: competition vs. monopoly
 - welfare analysis applied to monopoly regulation
 - price discriminationNicholson and Snyder: chapter 14

6. Imperfect markets
 - game theory and the Nash equilibrium
 - Cournot, Bertrand and Stackelberg duopolies
 - strategic substitutes and complimentsNicholson and Snyder: chapters 8 and 15

7. Review and conclusion
 - demand from consumption theory
 - supply from production theory
 - market equilibrium analysis