ECONOMICS 7005                          Professor Lozada
Fall 2014                               348 O.S.H.
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                                        **`www.economics.utah.edu/lozada`**

CLASS MEETING TIME & PLACE: MW 12:00–1:30pm, OSH 360. This is supposed to be an 80-minute-long class with 24 meetings, but it has been scheduled this semester (not by me) as a 90-minute-long class with 24 meetings. We'll discuss what to do about this.

TEXT: *Microeconomic Analysis*, Third edition, by Hal R. Varian

Old exams and their answers, and other material, is available at the web site given above (click on "Econ. 7005"). In particular, the structure of the 7005 web site is:

- Syllabus

- Prerequisites and Handouts

    - Prerequisites for Econ. 7005
    - Optional: A more complete treatment of Sections 1–4 of "Prerequisites for Econ. 7005," called "Notes for Econ. 7001."
    - Handouts for Econ. 7005

- Homework Problems and Answers

- Old Exam Questions and Answers

A paper packet with all the "Old Exam Questions and Answers" will be prepared and made available for sale. It only contains copies of the web site's "Old Exam Questions and Answers," so the only students who will want to buy it are those who prefer to have a paper copy of the material instead of working from the internet.

The following books are not on reserve at the library. They are not required texts, and you do not have to read any of them. If you have difficulty understanding your textbook's explanation of some topic, one of these books might help. However, since they are not on reserve, please do not check them out for a long time; one of your classmates may need the book too. The first book is an undergraduate text in mathematics for economists. (Its authors later added additional elementary material to the beginning, and additional advanced material to the end, and then divided the material into two books, but neither sort of additional material is particularly useful for most students in this course.) The second book (by Henderson & Quandt) is a treatment of the same microeconomic theory we cover. Its mathematical prerequisites are less than those of your textbook. The third book treats the same microeconomic theory we cover, plus much more. Its mathematical

prerequisites are more than those of your textbook. The fourth book has some unusual approaches to this material, and is rather short. The last book treats the same theory we cover in a slightly more mathematical way.

- *Mathematics for Economic Analysis,* by Knut Sydsæter and Peter J. Hammond (1995); paperback ISBN-10: 013583600X, ISBN-13: 978-0135836002. Alternatively:

  1. *Essential Mathematics for Economic Analysis*, by Knut Sydsæter and Peter J. Hammond; and its continuation,
  2. *Further Mathematics for Economic Analysis*, by Knut Sydsæter, Peter J. Hammond, Atle Seierstad, and Arne Strøm.

- *Microeconomic Theory: A Mathematical Approach,* Third Edition, by James M. Henderson and Richard E. Quandt (1980).

- *Microeconomic Theory,* by Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green (1995).

- *Microeconomic Theory,* by David G. Luenberger (1995).

- *Advanced Microeconomic Theory,* by Geoffrey A. Jehle and Philip J. Reny (2001).

GRADING: There will be a one-hour-long in-class midterm exam on Chapters 7–9, worth 33 points, and a two-hour-long in-class comprehensive final exam worth 67 points. You will be allowed to bring some notes with you during the exams. At the end of the semester, your course grade will be based on the sum of the grades you have made on the two exams.

OFFICE HOURS: My office hours this semester are MW 11:15–11:45am. You may also make an appointment to see me. In addition, you can stop by my office without an appointment at any time, and if I am not being pressured by other work I will make time then to answer your questions.

POLICIES: (1) "The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, (801) 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations." (2) Academic dishonesty may lead to severe penalties.

TENTATIVE SCHEDULE:

<table>
<tr><td></td><td>Chapters</td></tr>
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|---|---|
| 8/25, 8/27, 9/3, 9/8: | 7 (omit 7.5), 8 (omit 8.5, 8.9, 8.10, 8.11) |
| 9/10, 9/15, 9/17, 9/22: | 9 (omit 9.3, 9.4), 1 |
| 9/24, 9/29, 10/1, 10/6: | midterm, 2 (omit 2.5, 2.6), 3 |
| 10/8, 10/20, 10/22, 10/27: | 4 (omit 4.5) 5 |
| 10/29, 11/3, 11/5, 11/10: | 6 (omit 6.2), 13.1–13.4, 17.1–5 |
| 11/12, 11/17, 11/19, 11/24: | continue 17.1–5; 18.1–18.10 except 18.6 and 18.7 |
| 11/26, 12/1: | 10.1–10.6 except 10.4 |
| 12/3, 12/8: | 13.6–13.9, 17.6, 17.7, 17.9 |
| 12/10: | 21.1, 21.4, 18.6, 18.7 |
| Friday Dec. 19, 2014: | Final Exam from 10:30am–12:30pm. |

COURSE OBJECTIVES:

As British economist Joan Robinson once wrote (*Collected Economic Papers,* 1980, Vol. 2 p. 17):

> "The purpose of studying economics is not to acquire a set of ready-made answers to economic questions, but to learn how to avoid being deceived by economists."

Accordingly, one objective is to demystify neoclassical economics by thoroughly understanding it. This class covers competitive consumer theory, competitive theory of the firm, and competitive general equilibrium (positive and normative). Next semester's continuation will cover imperfect competition and other market failures.

Perhaps ironically, once you have learned this material's proper, limited context, you may well find some of it, or at least the mathematics it uses, useful in your own future research.