

**SUMMER 2019**  
**Department of Economics**  
**TOBB University of Economics and Technology**  
**Econ 213: MICROECONOMIC THEORY I**

**INSTRUCTOR:** Ayça Özdoğan Atabay

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**CLASS TIME:** 14:30-16.20 Tuesday, 15:30-17:30 Friday

**CLASSROOM:** 179 on Tuesdays, 309 on Fridays

**OFFICE HRS:** 11-12 am on Tuesdays and Fridays

**URL:** <http://aycaozdogan.weebly.com>

If the above office hours do not fit to your schedule, you can come to office hours via appointment. The best way to contact me is through email. Emails will be returned within 24 hours except over the weekends. Important information will be sent to students' university email accounts, as well as posted on my webpage. It is your responsibility to check your emails and the website regularly (at least once a week).

### **COURSE DESCRIPTION/CONTENT**

This course consists of topics such as consumer theory, producer theory, market structures, market equilibrium, efficiency (welfare economics) and market failures. Most of the topics of the course were introduced to students in Introduction to Economics. The first goal of the course is to teach students the theory of microeconomics in detail by enabling their skills in using mathematics and graphics. The second part is to convey how an economist think.

### **PREREQUISITES**

ECON 105 or 103 (Introduction to Economics). Students are responsible from what they have learnt in Introduction to Economics. In addition, an important assumption is that students are capable of using what they have covered in MAT 103 - MAT 104.

### **TEXTBOOK**

#### **Main textbook**

Intermediate Microeconomics: A Modern Approach by Hal R. Varian, Eight Edition, Norton, 2010.

#### **Additional Resources**

Workouts in Intermediate Microeconomics: A Modern Approach by Theodore C. Bergstrom and Hal R. Varian, Eight Edition, Norton, 2010.

Microeconomic Theory: Basic Principles and Extensions by Walter Nicholson, 9<sup>th</sup> or 10<sup>th</sup> Edition, Thomson South-Western College Publishers, 2008.

Theory and Application of Intermediate Microeconomics by Walter Nicholson and Christopher Snyder, 11<sup>th</sup> Edition, Thomson South-Western College Publishers, 2010.

Microeconomics by Daron Acemoglu, David Laibson and John List, Pearson, 2015. (available in Turkish)

TÜBA Open Course Materials: <http://www.acikders.org.tr/>

MIT Open Courseware: <https://ocw.mit.edu/courses/economics/>

## GRADING POLICY

The final grade is determined as follows: **PQ (%15) + MT 1 (%25) + MT 2 (%25) + Final (%35)**

Below are the grading cut-off points:

AA: 92-100, BA: 85-91, BB: 78-84, CB: 70-77, CC: 65-69, DC: 56-64, DD: 50-55.

Incomplete grade (I): A low class standing is not a valid reason for an I grade. An I grade is given only in exceptional circumstances like hospitalization or family emergencies; and an arrangement must be worked out between the student and me before the final exam. I require written proof of emergencies. You have one year to make up an I; and must repeat the course in its entirety.

### Pop-quizzes (15%)

There will be random number of random quizzes. **No make-up** will be granted for the quizzes. The lowest quiz score will be dropped and the average of the rest will be counted in the final grade.

### Midterm (25% each)

Make up's are not allowed for the midterm exam under any circumstances, except in medical emergencies for which a doctor's note is required. If a student knows he/she will be absent on the day of the exam for legitimate reasons (such as participation in activities sponsored by the university etc.), it is his/her responsibility to notify the instructor as far in advance as possible (again, with documentation). The midterm exam will be in class and closed book.

### Final (35%)

The final is cumulative. The make-up will be granted only in case of a valid and documented reason. Absence without any valid documentation will result in a grade of zero from that exam. In case of an illness, you are required to bring a formal doctor's note from a hospital. Students who want to take a make-up exam need to inform me by email as early as possible.

## NOTES

1. Students are responsible for material covered in both the lecture and supporting material in the mentioned chapters of the textbook. Everything discussed in class is part of the course and will appear on exams.
2. Please attend to class. If you miss more than 30% of the lectures, you fail complying with the rules of YÖK. Plus, there will be pop-quizzes that determine 15% of your final score.
3. Please use technology “responsibly” while you are in the classroom. This means **TURNING OFF** your cell-phones, any other devices, and your computers as well. The instructor thanks you in advance.

## NOTES ON ACADEMIC HONESTY AND STUDENT CONDUCT

All the work submitted must be that of student. You are encouraged to work with others in understanding the concepts and problems. However, each student must hand in their own homework assignment and all the sources of information and references used including a classmate (except for the textbook, lecture and recitation notes) must be **cited**. Identical answers will receive a score of zero. If the academic dishonesty occurs on a final or midterm, a grade of F will be received. Cheating and plagiarism will be penalized according to the disciplinary rules of the university and YÖK.

### SAVE THE DATES (Tentative)

**Midterm 1:** June 14, **Midterm 2:** July 19,  
**Lectures dropped:** June 11 (Tuesday) and June 25 (Tuesday)

### TENTATIVE COURSE PLAN

(Chapters are given from the Text Book by Varian and Nicholson)

Week 1	<b>Introduction, Overview and Basic Principles:</b> V.Ch 1 (The Market); N.Ch1 (Economic Models)
Week 2	<b>Consumer Theory:</b> V.Ch 2-3 (Budget Constraint, Preferences); N.Ch 3
Week 3	<b>Consumer Theory:</b> V.Ch 3-4 (Preferences, Utility); N.Ch 3-4
Week 4	<b>Consumer Theory:</b> V.Ch 5-6 (Choice, Demand); N.Ch 4
Week 5	<b>Consumer Theory:</b> V.Ch 7-8, V.Ch 15 (Revealed Preference, Slutsky, Market Demand); N.Ch 5-6 (Income and Substitution Effects)
Week 6	<b>Market equilibrium &amp; efficiency in exchange economy:</b> V.Ch16-31
Week 7	<b>Market equilibrium &amp; efficiency in exchange economy:</b> V.Ch 31; N.Ch 12
Week 8	<b>Producer Theory:</b> V.Ch 18-20 (Technology, Profit Maximization, Cost Minimization); N.Ch 7-9 (Production & Cost Functions, Profit Maximization)
Week 9	<b>Producer Theory:</b> V.Ch 21-23 (Cost Curves, Firm Supply, Industry Supply)
Week 10	<b>Equilibrium with Production:</b> V.Ch 32; N.Ch 10 (Partial Equilibrium Competitive Model), N.Ch 12 (General Equilibrium and welfare)
Week 11	<b>Market failure and market structures:</b> V.Ch 24 (Monopoly); N. Ch13-15 (Models of Imperfect Competition)
Week 12	<b>Market failure and market structures:</b> V.Ch 27 (Oligopoly); N. Ch13-15 (Models of Imperfect Competition)

### Math Review:

Appendix of Varian and Chapter 2 of Nicholson.

Lecture notes for math review: <http://aycaozdogan.weebly.com>