

SYLLABUS

Economics 50:

Stanford University, Department of Economics

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Economic Analysis I

Winter 2009

Office: Economics 348

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!Please read this information carefully. It describes important course policies and deadlines, and I will assume that you are familiar with them!

Lectures: Mo/We 1:15 – 3:05pm, 320-105

Office hours: Mo 3:30-5:00pm We 9:30-11:00am, Economics 348

Class website: <https://coursework.stanford.edu/portal/site/W09-ECON-50-01>

Excellent graduate student instructors:

Nadeem Karmali

Email: nadeemk@stanford.edu

Carlos Lever:

Email: carloslever@stanford.com

Pasha Stetsenko

Email: stpasha@stanford.com

Office hours:

Th 9:00-11:00am Econ 347

Th: 1:30-3:30pm Econ 347

Discussion sections:

Fridays (available times, see section info at class website), please choose a section and register as soon as possible.

Textbook: **Microeconomics, Besanko and Braeutigam, 3rd Edition (required)**
Microeconomics, Perloff; Intermediate Microeconomics, Varian

Course overview and objectives:

Microeconomics is the study of human behavior and decision making under consideration of scarce resources. This course is designed as a comprehensive overview of Microeconomic Theory. We will cover a number of topics including consumer and demand theory, firm, production and cost theory, the theory of competitive markets, imperfect competition, and welfare economics. You will be equipped with a set of concepts and analytical tools that will allow you to approach and analyze a wide variety of common economic questions. The examples used in class, readings and discussion sections will demonstrate the applicability of the discussed concepts to many everyday issues and problems, from personal decision making to national and international negotiations. Our analysis will be mathematically rigorous and we will make frequent use of differential calculus to emphasize the importance of “marginal” reasoning in microeconomics.

Economics 50 is the first course in the Economics Department's undergraduate "core" curriculum (Econ50-51-52). After completing Econ 50, you will be ready to continue with the intermediate core, Econ51, discussing concepts of game theory, risk and uncertainty, general equilibrium theory and other advanced cases of imperfect competition. The theories of consumer and producer behavior we develop will also provide the microeconomic foundations of the macroeconomic models covered in Econ 52.

Prerequisites:

Econ 1, 1A, or equivalent; plus Math 51, Econ 50M, or equivalent

Note that you will not be able to register in Econ 50 until you have satisfied both the introductory economics and the mathematics prerequisites. If you have any questions, please contact Mrs. Carol Schwan (cschwan@stanford.edu) in the Economics Department Academic Office.

Grades and exam policies:

Your final numerical average will be calculated based on your performance on problem sets (30%), the midterm (30%), and the final exam (40%). Numerical scores will not be converted to letter grades until the very end of the quarter. Specific letter grades will never be assigned to individual homework assignments or exams. If, due to a serious illness or family death, you are unable to take the midterm exam, your final grade will be based solely on your problem sets and final exam. You must contact me immediately with appropriate documentation, though, in order to receive this accommodation.

There will be one **midterm exam during class on Wednesday, February 11**; the **final exam will be on Monday, March 16, from 8.30 to 11:30am**. Note that the time of the final exam is set by university rule. **There will be no make-up exams, and no early or late sittings for exams.** If due to an illness or other emergency, you are unable to take the final exam at the appointed time, but have completed all other requirements for the course, I can give you a grade of "Incomplete" to be resolved by taking the Econ 50 final exam at the end of a future quarter.

Problem sets:

Problem sets will be assigned approximately every week, and will be due during your TA section meetings unless otherwise announced. If you are unable to hand in an assignment during section, you can submit your homework early or via fax. Make sure, though, that you make these arrangements by notifying your TA and me *beforehand*. No late problem sets will be accepted. I will drop your lowest homework score in calculating your final grade. I encourage you to work in groups, but the final submission should be your own work.

How to do well in this class:

- 1) Come to class! The easiest way to raise your grade is come to lectures and sections. (Romer showed that not showing up to class at all was responsible for 1.4 to 2.5 grade points. Showing up half the time was worth 0.7 to 1.2 grade points, Romer, D. 1993. Do students go to class? Should they? *Journal of Economic Perspective*, 7: 167-74)
- 2) Work on problem sets. There are also tons of practice problems in the book(s).
- 3) Read along in the textbook.
- 4) Do not fall behind. The material in this course is fast pace and cumulative.
- 5) **SPEAK UP IN CLASS!**
- Please give me feedback if I go too fast, slow, speak too softly or loudly.

- If you take issue with something I said, speak up. A discussion is ALWAYS more interesting than a monologue.

6) If you have questions come to office hours (both mine and those of the TA's)

Cheating:

This class will be conducted in strict observance of the University's Honor Code (see class website).

Schedule:

Date	Subject	Readings (Besanko & Braetigam)
Wed 1/7	Course overview, introduction to microeconomics	Chapter 1
Mon 1/12	Demand and supply analysis, elasticities	Chapters 1-2
Wed 1/14	Competitive markets and interventions	Chapter 10
Mon 1/19	<i>No classes (MLK Birthday)</i>	
Wed 1/21	Consumer preferences and utility functions	Chapter 3
Mon 1/26	Consumer preferences and utility functions	Chapter 3
Wed 1/28	Budget constraints and optimal consumer choice	Chapter 4
Mon 2/2	Budget constraints and optimal consumer choice	Chapter 4
Wed 2/4	Demand, further applications of consumer theory	Chapter 5
Mon 2/9	Demand, further applications of consumer theory	Chapter 5
Wed 2/11	<i>Midterm (in class)</i>	
Mon 2/16	<i>No classes (Presidents' Day)</i>	
Wed 2/18	Introduction to producer theory	Chapter 6
Mon 2/23	Costs and cost minimization	Chapter 7
Wed 2/25	Cost curves and further applications	Chapter 8
Mon 3/2	Profit maximization, supply, competitive markets	Chapter 9
Wed 3/4	Welfare analysis, monopoly	Chapters 10-11
Mon 3/9	Monopoly and monopsony	Chapter 11
Wed 3/11	review	
Mon 3/16	<i>Final Exam (8:30-11:30)</i>	

I hope you will enjoy this class and I wish you a great, successful quarter.