

ECON 3011B - Intermediate Microeconomic Theory

Spring 2023

Wednesday 8:30 – 11:15 @ Wong Foo Yuan Building LT4

Instructor: Kota Murayama (kotamurayama@cuhk.edu.hk)

Office: 936 Esther Lee Building (ELB)

Office hours: Wednesday 11:30 – 12:30 (or by appointment)

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TA office hours: Tuesday 15:00 – 17:00 @ ELB 1017

Course Description: Intermediate Microeconomic Theory is one of the most fundamental courses in the undergraduate economics curriculum. The knowledge and skills taught in this course are repeatedly used in almost all the other Economics courses, including macro and applied economics.

This course aims to understand how our society allocates resources through markets, such as goods and services. We will analyze various kinds of markets following three common steps. First, we will construct economic models of markets using mathematics. Second, we will define and study an equilibrium in economic models to understand how market prices will be determined. Finally, we will discuss whether the realized allocations of goods and services through markets are good or bad for our society under some welfare measures.

Prerequisites include basic knowledge of microeconomics, multivariate calculus, and constrained optimization problems. **While it is not compulsory, I strongly recommend you take ECON1101, ECON1111, and ECON2011 before this course.**

Textbook: Microeconomics, David Besanko & Ronald R. Braeutigam, 6th edition.

- Before each class, you are expected to read the assigned textbook chapter.
- After each class, you must solve the relevant practice problems to check whether you understand the lecture materials.
- You must keep the materials updated if you choose to use the older textbook versions.

Further readings:

1. Osborne and Rubinstein (2020). *Models in Microeconomic Theory* (free PDF book available at Ariel Rubinstein's website)

2. Varian, Hal (2014). *Intermediate Microeconomics*, 9th edition, Norton.

Method of Evaluation: Homework (20%), Midterm (30%), Final (50%).

Homework: We will have 4 homework assignments, usually one for every 3-4 textbook chapters. Each homework accounts for 5% of your course grade.

- You are required to form a homework group of 3-4 students. Submit a list of your group members to Blackboard.
- Each homework group must submit only ONE answer to Blackboard. Late submissions will not be accepted.
- Homework problems will be posted on Blackboard. Their solution will be discussed only during tutorials and will not be uploaded on Blackboard.

Examinations: We will have two exams, midterm and final.

- The midterm exam will be conducted in class on Feb 21. It will be a 120-minute closed-book exam. No makeup exam will be provided. So, if you are absent from the midterm with a valid reason, the final exam will account for 80% of your total grade. For instance, the “valid reason” includes sickness with a medical certificate.
- The final exam will be conducted during the exam week. It will be a 120-minute closed-book exam. The final exam will mainly cover lecture materials after the midterm. However, due to the nature of the knowledge taught in this class, you are expected to use basic concepts and skills learned before the midterm.

Any regrading of the exams must be requested within one week after your exam score is posted on Blackboard.

Tutorials: During tutorials, our teaching assistant will discuss homework, exams, and practice problems. You are also encouraged to share your questions or comments on anything related to the lecture. We will have (almost) weekly tutorials throughout the semester. You will be asked to submit your preferred tutorial dates to Blackboard.

Students with Special Needs: If you have a documented disability and need special accommodations, please let me know as soon as possible. I will arrange suitable exam environments for you accordingly.

Academic Honesty: You must comply with the University policy and regulations on honesty in academic work and with the disciplinary guidelines and procedures applicable to breaches of such policies and regulations. Details can be found at <http://www.cuhk.edu.hk/policy/academichonesty/>

Miscellaneous:

1. When you have questions about course administration (e.g., HW group, Blackboard issues) or tutorials, email our TA first (you can always cc me).
2. I will write your recommendation letter only when you have received an A grade in this course and have some interaction (e.g., asking questions after lectures) with me. It is highly recommended that you make an appointment with me before requesting the letter.

Class Schedule (If any changes are needed, they will be announced on Blackboard.)

Week	Date	Topics	Assigned Reading	Note
1	Jan 10	Introduction/Math Review Demand and Supply	Ch. 1 Ch. 2	
2	Jan 17	Consumer Preference	Ch. 3	
3	Jan 24	Consumer Choice	Ch. 4	HW 1
4	Jan 31	Demand Curves	Ch. 5	
5	Feb 7	Production & Technology	Ch. 6	
6	Feb 21	Midterm Exam (Ch.1-6)	Ch. 1-6	HW 2
7	Feb 28	Cost Minimization	Ch. 7	
8	Mar 13	Cost Curves	Ch. 8	
9	Mar 20	Perfect Competition	Ch. 9	
10	Mar 27	General Equilibrium	Ch. 16	HW 3
11	April 3	Monopoly	Ch. 11	
12	Apr 10	Game Theory	Ch. 14	
13	Apr 17	Imperfect Competition	Ch. 13	HW 4
		Final Exam		