

Microeconomic Analysis I (first half)
ECON 603
Fall 2009

Instructor: Professor Emel Filiz Ozbay
Office: Tydings Hall 4130A
Office Hours: Tuesday/Thursday 10:00 am– 11:00 am
E-mail: emelfilizozbay@gmail.com, efozbay@umd.edu
Phone: 401-305-3474

Section 0201: Tuesdays/Thursdays 11:00 am - 12:15 pm, Tydings 1114

Section 0101: Tuesdays/Thursdays 2:00 pm - 3:15 pm, Tydings 2111

Discussion Section 0101: Thursdays, 3:30 pm-5:30 pm, Tydings 1132

Discussion Section 0201: Fridays 12 noon - 1:45 pm, Tydings 2111

Teaching Assistant: Oleg Baranov (baranov@econ.bsos.umd.edu)

Oleg Baranov's Office Hours: Fridays 2:00 pm-4:00 pm, Morrill 0105

Economics 603 is the first half of the Economics Department's two-semester core sequence in Microeconomics. This course is taken by all first-year Economics Ph.D. students, as well as by quite a few Ph.D. students in Agricultural & Resource Economics, the Smith School of Business, and other academic departments. The first half of the semester treats consumer theory and the theory of the firm. The second half of the semester is an introduction to game theory and its applications in economics. The first half of this course will be taught by Professor Emel Filiz Ozbay. The final half will be taught by Professor Larry Ausubel. More information on the final half can be found at <http://www.ausubel.com/econ603/>.

All official course announcements of the first half will be posted on the blackboard academic suite: <http://elms.umd.edu>.

There will be about 6 problem sets for the first half of the course. Problem sets, handouts, and lecture notes will be posted on this web-site. The material that is going to be covered is highly based on the material covered in previous years by Professors Dan Vincent and Larry Ausubel.

The midterm exams—for each section—are scheduled for **Thursday October 15, 2009** in class. Students should take the midterm during the class section that they are registered for. Any students having any known conflicts with the exam times should notify the professor immediately.

The final exam—for both the morning and afternoon sections—is scheduled for **Monday December 14, 2009** at 10:30 am - 12:30 pm.

Text Book:

A. Mas-Colell, M. Whinston and J. Green (henceforth “MWG”), *Microeconomic Theory*, Oxford Univ. Press, 1995.

R. Gibbons, *Game Theory for Applied Economists*, Princeton Univ. Press, 1992.

Organization Of the 1st Half of the Class:**1) Preferences, Utility Functions and Utility Maximization**

MWG, pp. 3-9, 17-28, 40-57 and 926-935

Problem Set #1

2) Review of Kuhn-Tucker Theory / Envelope Theorem and Applications

MWG, pp. 935-966

Handout on Kuhn-Tucker Conditions

Handout on Envelope Theorem

3) Expenditure Minimization, Hicksian Demands and Slutsky Equation

MWG, pp. 57-75

Problem Set #2

4) Integrability, Substitutes Preferences

MWG, pp. 75-95

Problem Set #3

5) Welfare Evaluation, Revealed Preference and Aggregate Demand

MWG, pp. 9-14, 28-36 and 105-123

Problem Set #4

6) Theory of the Firm, Profit Maximization, Cost Minimization and Duality

MWG, pp. 127-160

Problem Set #5

7) Monopoly and Price Discrimination

MWG, pp. 383-387 and 488-501

Problem Set #6