

USC Dornsife
College of Letters, Arts and Science

Econ 500 Microeconomic Analysis and Policy
4 Units | Fall 2015

Tue, Thu 12-1:50 KAP 148

Instructor: Ergin Bayrak

Office: KAP 116C

Office Hours: Mon, Wed 2:30-3:30 and by appointment

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Course Description

This is a graduate level course in microeconomic theory. Topics that will be covered include the theory of the consumer (utility maximization and demand), the theory of the firm (cost minimization/profit maximization and supply), market structure (competition, monopoly, oligopoly), and game theory (strategic interaction between economics agents) and market failures (asymmetric information, externalities and public goods).

Learning Objectives

Successful completion of this course will result in a) Ability to intelligently observe and explain the functioning of markets, failures therein, and the justifications and consequences of various types of economic policies, and b) Ability to apply the critical economic thinking skills to analysis of consumer and firm behavior and their (strategic) interactions.

Required Readings and Supplementary Materials

Nicholson: Microeconomic Theory: Basic Principles and Extensions 11th ed.

In addition to the chapter assignments from the textbook, additional readings, and supplementary material may be provided for critical analysis and discussion. Materials will be available on the class website.

Description and Assessment of Assignments

The final grade in this course will be based on 3 in-class quizzes and 3 homework assignments, one midterm and one final and participation. The tests will include short answer questions that are designed to test your ability to concisely and effectively articulate your understanding of the course material, and analytical problems that are designed to test your mathematical and analytical understanding of the course material. A legible, stapled hard copy of the assignments will need to be submitted in the beginning of the class on the day it is due. Late submissions will not be accepted. A formal written excuse for an absence is required to arrange for make-up tests.

	% of Grade
3 Assignments	15%
3 quizzes	15%
Midterm	25%
Final	40%
Participation	5%

Course Schedule: A Weekly Breakdown

Week 1.	Course overview and Introduction	CH 1
Week 2.	Preferences and Utility	CH 3
Week 3.	Utility Maximization and Choice	CH 4
Week 4.	Income and Substitution Effects, Demand relationships	CH5-6
Week 5.	Production Functions	CH 9
Week 6.	Cost Functions	CH10
Week 7.	Profit Maximization by Competitive Firms	CH11
Week 8.	Review and Midterm	
Week 9.	Partial Equilibrium Analysis: Price Controls and Taxes	CH12
Week 10.	General Equilibrium and Welfare	CH13
Week 11.	Market Power: Monopoly	CH14
Week 12.	Imperfect competition	CH15
Week 13.	Input Demand and Labor Markets	CH16
Week 14.	Capital and Time	CH17
Week 15.	Asymmetric Information, Externalities and Public Goods	CH18-19

Final Examination: For the date and time of the final exam for this class, consult the final examinations schedule on the USC Schedule of Classes website at www.usc.edu/soc

Statement on Academic Conduct and Support Systems

Academic Conduct

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage sarc@usc.edu describes reporting options and other resources.

Support Systems

A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.