



FACULTY OF ARTS AND SOCIAL SCIENCES  
**ECON 204 – MICROECONOMICS**  
COURSE DESCRIPTION  
Spring 2020

**Mehmet Baç**

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<b>Class Hours</b>	:	Monday 2.40 - 4.30pm; Wednesday 10.40-11.30am
<b>Office Hours</b>	:	By appointment only
<b>Required Text</b>	:	<i>Intermediate Microeconomics—a Modern Approach</i> by Hal Varian, (Eighth Edition)
<b>Online Content</b>	:	Available at <a href="https://sucourse.sabanciuniv.edu">https://sucourse.sabanciuniv.edu</a>
<b>Evaluation and exams</b>	:	Midterm (45%), Online, November 23, Monday, during class hours. Final (55%) TBA

**Important:**

*A make-up exam will be given only if you have a serious excuse.* In such a case, you always have to document your excuse. The grade for an unexcused exam will be zero. What to do in the case of a documented excuse is decided on a case by case basis.

**Course content and objective:** This course is about the fundamentals of economics. It exposes the basic theories about how individuals as consumers or producers make and change their choices, how they interact in markets and how that interaction affects the well-being of society. Decision-makers are “small” in the sense that as consumers or producers they cannot affect the result of their interaction with many others.

This course is also very useful for non-economics majors, in fact for any student who seeks to understand and explain the economic phenomena around us.

**Important Notice:** Any kind of academic misconduct will not be tolerated; the procedures on academic honesty published in the university catalog will be applied. I advise you to review these standards in the web, at: [http://www2.yonerge/Akademik\\_durustluk/E-Academic\\_durustluk.html](http://www2.yonerge/Akademik_durustluk/E-Academic_durustluk.html)

## LEARNING OUTCOMES

On completion of the course, students are expected to:

- apply demand-supply analysis to study potential impacts of microeconomic policies (price, regulations, quotas etc.),
- analyze the decision process of firm behavior under competitive conditions,
- analyze the basic assumptions about preferences and variables affecting derived consumer demand,
- identify why and when markets fail to produce socially desirable outcomes,
- use the welfare theorems, their assumptions and their informal proofs/intuition.

## TOPICS TO BE COVERED FROM VARIAN

Chapter 2.. The Budget Line

Chapter 3.. Preferences

Chapter 4.. Utility (excluding section 4.6, including the Appendix)

Chapter 5.. Choice (excluding sections 5.4 and 5.5, including the Appendix)

Chapter 6.. Demand

Chapter 8.. The Slutsky Equation (excluding section 8.8 and 8.9, and the Appendix)

Chapter 12.. Uncertainty

Chapter 14.. Consumer's Surplus (excluding section 14.8 and the Appendix)

Chapter 15.. Market Demand (including page 287 and excluding the rest of the Appendix)

Chapter 19.. Profit Maximization

Chapter 22.. Firm Supply

Chapter 23.. Industry Supply

Chapter 16.. Equilibrium

Chapter 24.. Monopoly

Chapter 31.. Exchange

Chapter 33.. Welfare

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