

Sabanci University

Econ-204 Microeconomics, FALL 2022

Contact Information

Instructor: Ivan G. Lopez Cruz

Office: FASS-2120

Office Hours: Friday, 8 am-10 AM.

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Class Information

- Consult Student Resources to see the rooms we will use.
- The lecture will be fully in-person.
- If for some unexpected reason, we need to use Zoom, I will enable its video recorder feature. I will not allow Non-Sabanci accounts into our meetings.
- The class website is SUCOURSE+, where you will access diverse materials, including some class notes, homework sets, and the like. Moreover, I will post the course's announcements on SUCOURSE+ as well.
- Look upon the web for the recitations schedule. Your TA will post the sessions specifics shortly, during which she/he will solve a selection of the homework exercises and address your questions.

NOTE: I will not allow anyone to enter the classroom 15 minutes after the beginning of the class. I will enforce this rule throughout the semester. Please mind that failing to comply with this rule on exam/quizzes dates will result in a grade of zero for the corresponding evaluation.

Regular Exams and Quizzes:

This class comprehends the following grading components:

- Three Midterms: 30 % of your final grade each ($90\% = 30\% \times 3$). These exams are **IN PERSON**. They will last 1.5 hours. We will hold these Exams on a **TBA** date and place. They may contain multiple-choice questions and short-answer questions. Its coverage includes all the topics we manage to discuss before **TBA**.
- One Quiz (during the last week of classes): 10 % of your final grade. However, it will give you the chance to collect extra-credit summing to an additional 10%.
- This course does not have a FINAL EXAM.

Missing a Quiz/Midterm:

- If having missed a Quiz/Exam results from illness, the student must hand in a formal doctor's note from a hospital. (A doctor's note taken from a doctor's private practice does not count as formal.) The university health service must verify the doctor's prescription in all instances. Therefore, you should submit the doctor's note to the Health Center timely.

Failing to present an exam without any valid documented reason will result in a zero for that Exam.

- Suppose you miss either one or more evaluations. However, you presented a valid documented reason (as per above). In that case, you can recuperate the lost points via an **IN PERSON**, comprehensive, 1.5 hours long makeup exam on **TBA**. This Exam's weight will match the grade percentage you have missed. Finally, note that it will evaluate all the topics we cover before **TBA**.

Further details

- **Textbook:** Varian, Intermediate Microeconomics: A Modern Approach (Eighth Edition).
- **Class Materials:** I will post diverse materials to complement the textbook, such as videos and presentations.
- **Prerequisites:** Multivariate Differential Calculus. Familiarity with elementary geometry and calculus is required. It is your responsibility to review these tools.
- **Reading and homework assignments** will appear on the class website. Homework is crucial. It will not be "handed in." Instead, our TAs will go over the answer keys for some of the exercises. More specifically, your TAs will post weekly homework questions that they will subsequently solve during the recitation sessions.
- **Attendance:** Attending the lectures is necessary to understand the material better. The Exam's coverage will closely follow the class lectures and homework assignments, with the text providing supplementary discussions.
- **Individualized Extra-Credit:** Under no circumstances will I grant extra-credit work to individual students.
- **GRADING SCALE: You will have weighted scores at the end of the semester, adding up to 100 points or less.**
- **Do not allow the scale to mislead you.** For "True or False" questions, answers without elaboration receive no points. A student will get partial credit only for those incomplete, not incorrect, answers. If your work contains logically inconsistent reasoning, it will receive no points at all.
- **Words of advice:** The key to obtaining a good grade is to keep up. The material builds on itself as the semester progresses. Only a few students can study "the night before the exam" and do well. You are encouraged to form a "study group" with your classmates.

Objectives and Contents:

- Consumer theory and demand; production, costs, and supply; analysis of market structure; welfare, market failures, imperfect information and the role of the government in a market economy.
- Microeconomic analysis is the study of how societies control and organize the production and distribution of goods and services. In this course, we will attempt to explain how consumers, firms, and workers interact, why they behave in particular ways, and what the outcome of that behavior might be. Economists try to understand how and why the economy works. There is much that we already know, but there is also a great deal that we

still do not understand. This makes economics an exciting subject, both to teach and to study.

Course Outline

- 1) Introduction: Flow diagram model, PPF Model, and Supply and Demand (Chapter 1)
- 2) Math Review*
- 3) Budget Constraints (Chapter 2)
- 4) Preferences (Chapter 3)
- 5) Utility (Chapter 4)
- 6) Choice (Chapter 5)
- 7) Marshallian Demand and different types of goods (Chapter 6)
 - a. Definitions and Examples (Chapter 6)
 - b. Indirect Utility Function*
 - c. Duality*
- 8) Revealed Preferences (Chapter 7)
- 9) Slutsky Equation (Chapters 8 and 9)
 - a. Endogenous income (Chapter 8)
 - b. Exogenous income and endowment effect (Chapter 9)
- 10) Intertemporal Choice (Chapter 10)
- 11) Consumer Surplus (Chapter 14):
 - a. Compensating Variation
 - b. Equivalent Variation
- 12) Expenditure Minimization*
 - a. Hicksian Demand*
 - b. Properties and Examples*
- 13) Market Demand (Chapter 15)
- 14) Technology (Chapter 18)
- 15) Profit Maximization (Chapter 19)
- 16) Cost Minimization (Chapter 20)
- 17) Cost Curves (Chapter 21)
- 18) Firm Supply (Chapter 22)
- 19) Industry Supply (Chapter 23)
- 20) Monopoly (Chapters 24-26)
- 21) Time Permitting: Externalities and Public Goods (34 and 36)

Our text does not fully cover the topics marked with a *. Therefore, to review them, we will rely solely on my class notes that I will post on SUCOURSE+.

Final Remarks:

- After each Exam/Quiz, our TA will offer you the chance to object to her/his grading within an online meeting. If you do not attend the objection session, you will not be able to object to your grade at all.
- On a TBA date, I will post the final grades. That same day you will have the chance to hold a meeting with me and object your marks corresponding to the **quiz**. In addition, you will be able to alert me about any possible mistake in your records. However, under no circumstances will you object to the grading of your midterms.
- Email policy: As experience dictates, you can answer most of your questions through a careful inspection of the syllabus. However, many students fail to do the latter and bomb me with tiring and trivial messages. To cope with this situation I have devised a mechanism of automatic replies that will screen out meaningless emails. If your question is genuinely a

good one, and you have received an automatic response, please write me again, and I will reply to your message.

Letter Grades:

A	A-	B+	B	B-	C+	C	C-	D+	D	F
90-	89-	84-	79-	74-	69-	64-	59-	54-	49-	
100	85	80	75	70	65	60	55	50	45	0-39

Tentative Exam dates:

First Midterm: during the 5th week.

Second Midterm: during the 9th week.

Third Midterm: during the second last week.

Final Quiz: Last week of the semester.