

**Microeconomic Analysis 1 (first half)**  
**ECON 603**  
 Fall 2015

Instructor: Emel Filiz-Ozbay  
 Office: Tydings Hall (TYD) 4115C  
 Office Hours: Thursday 12:00 pm – 2:00 pm  
 (**only for** Sept 3, my office hour is 12:00pm-1:00pm)  
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**Class:** Tuesdays/Thursdays 2:00 pm - 3:15 pm, TYD 2111

**Discussion:** Tuesday, 5:15 pm – 6:45 pm, SQH 1117

**Teaching Assistant:** Tzu-Yao Lin (LinT@econ.umd.edu)

**TA's Office Hours:** Thursday 11:00 am – 12:00 pm at TYD 4128

**Midterm Exam** is on **Tuesday, October 20, 2015 2:00 pm – 3:15 pm at TYD 2111**

**Course Description and Objectives:** 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 first five chapters of the textbook will be covered in this part. 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/>.

**Text Book:**

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

**Organization of the Topics:** The first half of the course is going to have two main parts. The first part deals with consumer theory, and the second part deals with firm theory.

**PART 1**

**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

## PART 2

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

MWG, pp. 127-160  
Problem Set #5

### 2) Monopoly and Price Discrimination

MWG, pp. 383-387 and 488-501  
Problem Set #6

**Course Website:** If you are registered for this course, you should use your directory ID and password to access <https://elms.umd.edu>. Copies of this syllabus, homework, lecture notes, and other relevant documents will be made available through the course website.

**Email:** The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements.

Failure to check email, errors in forwarding email, and returned email due to “mailbox full” or “user unknown” will not excuse a student from missing announcements or deadlines.

You are encouraged to contact me by email, and I will do my best to respond within 24 hours. PLEASE include course code in the subject line, so that I can quickly distinguish your message from spam or other less important matters. PLEASE also include your name and any previous messages we’ve exchanged within every message you send to me.

### **Expectations of Students:**

Your grade for the course is based upon your performance in the first and second halves of the course, i.e. Midterm and Final exams.

**Exams:** The midterm exam is scheduled for **Tuesday October 20, 2015** from 2:00 pm to 3:15 pm at TYD 2111 (usual class time). Any students having any known conflicts with the exam times should notify me immediately. If you miss the midterm exam because of illness that can be documented by a medical professional, you must inform me as soon as possible, preferably in advance of the exam, and a make-up exam will be scheduled.

The final exam for Econ 603 is anticipated to be in one of the following two time slots: [Tuesday Dec. 15 at 10:30 am – 12:30 pm](#); or [Thursday Dec. 17 at 10:30 am – 12:30 pm](#). If you will have scheduling issues with either of these two time slots, please notify Prof. Ausubel (who teaches the second half of 603) immediately.

**Problem Sets:** There will be 6 problem sets for the first half of the course. Problem sets, handouts, lecture notes, and old exams will be posted on the website. Reading the relevant chapters from the textbook together with the lecture notes is expected. You are also recommended to solve the problem sets before the discussion sessions and the TA will answer your questions at those sessions. You do not need to submit your solutions to the problem sets but studying them will help you prepare for the exams. If you want your solutions to the problem sets to be checked by the TA, you may ask the TA to read them or go to the TA's office hours to discuss them. If you cannot follow the logic of lectures or problem sets then please visit my office hours.

**Attendance and Course Participation:** Students are expected to attend classes regularly. You will get much more out of the class if you read the material before it is covered in class. Participation in class discussion is encouraged. I suspect that most successful students spend a significant amount of time reading, studying, and working through examples outside of class. Consistent attendance greatly improves the likelihood of success in this course.

**Notes:** If you find that you can't follow the class discussions, please talk to me during my office hour. If you anticipate or experience any problem fulfilling the requirements of the course, you must inform me as soon as possible to maximize the possibility that I can help you. Contacting me about such problems at the end of the term when your grade is lower than what you would like is definitely too late.

I look forward to receiving your feedback on the course at the end of the semester, so please use the University's on-line course evaluation system at the end of the semester.

Please contribute to a positive learning environment. We can make the most of this opportunity if you are willing to work at it. Students are expected to treat each other and me with courtesy and respect. Disruptive behavior will be referred to the Office of Student Conduct or the Campus Police.

### **Academic Integrity**

The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see [www.studenthonorcouncil.umd.edu](http://www.studenthonorcouncil.umd.edu)

### **Students with Disabilities:**

I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.