

MICROECONOMICS - NEW CURRICULUM

3-semester course starting February 2005

Thursday 9:45-11:20, Auditorium Maximum D

Principal textbook: Hal R. Varian, *Intermediate Microeconomics*, W.W.Norton, 1990

In parentheses class dates and chapters from the textbook

From 2005 on, all basic and intermediate Microeconomics courses are coordinated so that students can choose one of three lectures offered. No matter which recitation class they are assigned to, the course material taught and discussed in a given week will be the same. Below you will find the syllabus of the English course (taught in Auditorium Maximum D on the main campus at Krakowskie Przedmiescie). The material is fully synchronised with parallel Polish lectures (taught on Thursdays too). Teaching assistants, who are aware of the schedules of all three lectures, in their recitation classes will offer exercises aimed at consolidating the knowledge learnt in any of the lectures each week. Of course, in addition to the exercises that are common and obligatory in a given week, each class may afford discussing also other problems depending on how well students progress with the course material.

Part One of the Microeconomics course will be graded based on the following three elements:

A. Mid-term exam given in the first week after Easter (30%),

B. Final exam given in late May or early June (40%), and

C. class work evaluated by Teaching Assistants (30%).

Both Mid-term and Final exams will consist of problems and exercises similar to those solved in recitation classes.

Part One (Semester 2)

1. Consumer budget constraint and preferences (February 17; Varian 2)
2. Utility maximisation; duality and demand (February 24; Varian 3, 4, 5)
3. Empirical research of consumer preferences (March 3; Varian 6)
4. Empirical research of consumer demand; elasticities (March 10; Varian 15)
5. Revealed preference axioms; indices (March 17; Varian 7)
6. Substitution and income effects; Slutski equation (March 24; Varian 8)
7. Mid-term exam (March 31)
8. Equivalent and compensating variation (April 7; Varian 14)
9. Labour supply; value of leisure; empirical research (April 14; Varian 9)
10. Intertemporal choice; discount rate; present value (April 21; Varian 10)
11. Uncertainty and risk; von Neumann-Morgenstern utility; insurance (April 28; Varian 12)
12. Capital asset markets; arbitrage (May 5; Varian 11, 13)
13. Pure exchange economy; Edgeworth box and the First Welfare Economics Theorem (May 12; Varian 27)
14. Primary demand analysis revisited (May 19; Varian 1, 14)