

**Fundamentals of Microeconomics**  
**Econ 9730, PWA**  
**Instructor: Aparna Anand**  
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## **COURSE SYLLABUS**

### **Course meeting times and location**

This course will meet on Wednesdays from 5.50 PM until 7.05 PM in VC – 10135. The course will meet from 8/28/2013-12/15/2013.

### **Office hours**

Office hours will be held on Mondays and Wednesdays from 10 AM- 11 AM. Students can also make an appointment by emailing me at [aanand@gc.cuny.edu](mailto:aanand@gc.cuny.edu).

**Prerequisites for this Course:** Students are expected to have working knowledge of basic calculus (use of derivatives), algebra (solving simple system of equations) & that you are comfortable with graphs and figures.

### **Textbook**

The text we will be using in this course: Pindyck & Rubinfeld Microeconomics, 8<sup>th</sup> ed. ISBN: 978-0-13-285712-3. Other relevant readings and articles will be posted in the course website available in the blackboard.

**Blackboard:** There is a blackboard web page associated with this course. Students who are on the class roster can access the web page by logging into blackboard site. Check the class web page often for announcements, readings and articles that will be used for lecture. Students are encouraged to post any questions about the material on the web page's discussion board for active interaction. I will address those questions for all to see and benefit from.

## **COURSE GOALS AND LEARNING OBJECTIVES**

Students who satisfactorily complete the Fundamentals of Microeconomics will begin to

- Describe economic problems in words, equations and figures.
- Analytically analyze the optimal consumption decision of consumers, know the behavioral economic perspectives of consumers preferences & choice.
- Analyze optimal production decisions of producers & costs.
- Identify the role of risk & uncertainty in the decision-making.
- Understand the different types of market structures & strategic interaction of firms.
- Formalize normal form of games, solve for Nash Equilibrium & familiarize with oligopoly models of cournot duopoly & Stackelberg.
- Classify market failures due to asymmetric information, aware of the role of government and understand the ethics of decision-making.
- Discuss and understand the application of economic concepts/models in real world examples.

**Course requirements:** Course requirements include class participation, two exams and a written report. You are expected to be present in class on time, adhere to due dates, and be prepared for classes.

### **Class Participation**

Utilize effective of oral communication through discussion of relevant business articles related to the topics of lecture. Each week articles related to the topics of lecture will be posted in the blackboard, which we will discuss in the class. Students will be randomly called during the lecture to briefly summarize the article and highlight the economic ideas of the article.

### **Report ( Due by the first week of December)**

- Pick an article that identifies an economic problem confronted by consumers, firms, or government from the newspapers, journals (Wall Street, The Economist etc).

- Discuss the article in your report from the perspective of economic concepts/ideas and models discussed in the class.
- If possible, provide explanation or solution to that problem.
- The report should summarize the article, identify the economic concepts/models, propose an explanation/solution if the article addresses specific economic problem.

**Attendance:** You are required to attend ALL classes unless you have a valid excuse. Arriving late interferes with other students' learning and is not acceptable. Subway delays and other problems are unavoidable on occasion, but it is each student's responsibility to plan carefully to arrive on time and well prepared.

### **CONDUCT AND ACADEMIC INTEGRITY**

Students are expected to adhere to the Student Code of Conduct outlined in the University Code of Student Conduct, which can be found at:

[http://www.baruch.cuny.edu/academic/academic\\_honesty.html](http://www.baruch.cuny.edu/academic/academic_honesty.html). Students are also expected to maintain academic integrity. Students who violate academic integrity are subject to sanctions.

### **GRADING**

Your grade will be determined as follows.

- **Class Participation 20%**
- **Report 20%**
- **Midterm Exam 25%**
- **Final Exam : Wednesday, December 18, 2013 35%**

There will be NO make-up exams under any circumstances, except in cases of emergency where sufficient documentation is provided. In such cases, the instructor must be contacted within 24 hours of the exam period.

No calculators, cell phones, or other electronic devices may be used during the exams. Students should turn off all electronic devices during the lectures. At the end of each class, reading material will be assigned. Due to the short term of the meetings of the

class, it is very essential that the students should come to each class prepared and to have read all relevant material and assigned articles.

**Tentative Schedule:**

DATE	WEEK	TOPICS	CHAPTERS & READINGS
8/28	1	An overview of Microeconomics, Supply & Demand	1 & 2 “Don’t Expect the markets to Bend it like Beckham”, Financial Times 12/29/10.  The effects of 9/11 on the Supply and Demand on New York City office space, Pindyck.
9/11	2	Price Elasticities	2  The Effects of Gasoline Tax, Pindyck.
9/18	3	Preferences & Consumer Behavior	3  “Deviations from Mean”, The Economist. Economic Scene; Observe, theorize, measure, test and don't overlook what goes wrong. Nobel experiment NY Times 10/24/12
9/25	4	Utility Maximization	3
10/2	5	The Costs of Production	6 & 7 “ Technology Levels the Playing Field” NY Times, 8/25/05  ‘Smart Phone Have – Nots’ NY Times 1/20/13.  “Print Me a Stradivarius”, The Economist, 2/12/11. ‘Not really made in China’

			NY Times 8/19/13.
10/9	6	Firms in Competitive Markets, Profit Maximization	8 & 9 “Profits without Production” NY Times 6/20/13.
10/16	7	<b>MIDTERM EXAM</b>	
10/23	8	Welfare Analysis and Market Efficiency	9 “A Question of Management”. The Economist 6/11/05. “Wall Street is too big to regulate” NYTimes, 7/23/12.
10/30	9	Monopoly & Price Discrimination	10 & 11  “Powerful Interests are trying to control the market”, Financial Times 11/11/09.  Pricing Cellular Phone Service, Pindyck.
11/6	10	Oligopoly & Game Theory	17 Walmart – A preemptive Investment Strategy, Pindyck
11/13	11	Risk and Uncertainty	5 Business Executives and the choice of Risk, Pindyck. “Risk Mismanagement”, NY Times, 1/4/09.
11/20	12	Signaling	Education as a signal to Employers, Spencer’s Job Market Signaling model
12/4 & 12/11	13 & 14	Markets with Asymmetric Information	17 CEO Salaries, Pindyck Managers of Nonprofit Hospitals as Agents, Pindyck. “Moral Hazard – A Tempest Tossed Idea” , NY Times 2/26/12 “Reckonings : Harvest of Lemons” NY Times 10/14/01.
12/18	17	<b>FINAL EXAM</b>	

