# Introductory microeconomics

## Gr. A-K: Prof. Eray Cumbul; Gr. L-Z: Prof. Carsten Krabbe Nielsen

Gr. A-K: *Prof. Eray Cumbul*

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

This introductory course in microeconomics covers the basic theory as well as a few applications. It provides students with a framework for understanding market interaction and also with the knowledge needed for taking more advanced courses in economic policy and finance.

Microeconomics is founded on a theory of decision making by individuals and firms giving rise to demand and supply in any particular market. We shall study equilibria in individual markets under perfect competition and explain why a market economy may, for this case, lead to efficient economic outcomes. Further topics include non-competitive behavior, games and savings decisions.

On completion of the course the student should:

– be familiar with the fundamental assumptions underlying microeconomic analysis as well as with various additional assumptions often employed in economic models;

– know how to arrive at some of the basic properties of markets in settings of perfect or imperfect competition;

– know how to formally solve microeconomic problems;

– know the fundamental terminology of microeconomics and be able to employ it in a relevant way when discussing economic issues;

– be prepared to study economics at a more advanced level, say in Finance, Macroeconomics or Economic Policy.

***COURSE CONTENT***

– Introduction to Demand, Supply and Equilibrium.

 – Preferences, Choice and Utility Maximization.

– Demand Curves and their Properties.

– Consumption: Comparative Statics.

– Production: Cost-Minimization and Profit Maximization.

– Firm Supply Curves.

– Supply: Comparative Statics.

– Perfectly Competitive Markets and Market Equilibrium

– Games in Normal Form.

– Monopoly.

***READING LIST***

H.R. Varian, *Intermediate Microeconomics: A Modern Approach*, W.W. & Company, Norton, 2009, 8th Edition.

***TEACHING METHOD***

There will be 60 lectures covering the theory as well as 8 TA session where solutions to weekly exercises are discussed.

***ASSESSMENT METHOD AND CRITERIA***

Student assessments are based on a written final exam each comprising two parts and counting 50% towards the final grade. The first part relates to the material covered before the midterm, the other to the material covered after the midterm. The first of these parts can either be taken as a midterm exam or at a later date. The format of the two parts is the same: some questions regarding basic definitions and concepts as well as some problem solving questions.

***NOTES AND PREREQUISITES***

It is recommended that the student has completed a course in mathematics before taking this course. A more detailed syllabus will be made available at the beginning of the course.

*Office hours*

Prof. Eray Cumbul: students can request an appointment via email, eray.cumbul@unicatt.it

Gr. L-Z: *Prof. Carsten Krabbe Nielsen*

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*Office hours*

Carsten Nielsen: Fridays from 16.00 to 17.00 in Via Necchi, 102 bis.