

HKUST Econ 3133

Microeconomic Theory II

Instructor

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Overview

A 4-unit course, this is Part II of the two-semester intermediate micro sequence (Part I being ECON 3113, which covers individual choice and consumer theory). We first study how firms make decisions. We then bring consumers and firms together and investigate how they trade in a market. After that we see some game theory and use it to analyze economic problems.

Prerequisites

You should have taken ECON 3113. You will see about the same kind of math as in ECON 3113: calculus, linear algebra and probability.

Textbook

Microeconomic Theory: Basic Principles and Extensions (by Nicholson and Snyder)

Grading

Homework assignments (20%), a midterm exam (35%), and a final exam (45%).

Homework

Homework assignments are problem sets. Feel free to discuss the problems with anyone, but: Write the homework by yourself! Flagrantly copying other people's work violates the honor code.

Exams

Exam dates are to be determined and will be announced two weeks in advance.

Exams are conducted in Zoom sessions.

Final exam is cumulative.

Office Hours

After each regular lecture, and by appointment.

Course Outline

- Firm theory (Chapters 9-11)
- Markets (Chapters 12-15)
- Game theory (Chapter 8)

If time allows, I may also throw in some additional topics.

Objectives

After completing this course you are expected to have a good understanding of the fundamental economic perspective: Agents optimize under constraints, and such individual optimization activities interact and affect each other. You are also expected to be able to use a variety of tools to analyze economic problems from this perspective.

Per Program Intended Learning Objective for ECOF: After completing the course, students will

1. Understand the logic, scientific basis, and critical thinking of economic analysis (PILO 1)
2. Have a sophisticated knowledge of economics, apply it to explain economic and social phenomena, and make sound economic decisions (PILO 4)

3. Develop ability to qualitatively analyze basic economic and social problems. Conduct basic economic analysis and research of the economy and society (PILO 4)
4. Collaborate effectively with your team members to answer questions in homework (PILO 5, 7)
5. Have informed ethical thinking based on rigorous economic and social analysis (PILO 8)
6. Be a lifelong user of economic analysis (PILO 9)

Honor Code

There will be no tolerance for plagiarism and cheating. Any related offense will lead to disciplinary action including termination of studies at the University. Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations.