Shanghai Jiao Tong University

EC306 Intermediate Microeconomics

Instructor Information	Jackson Jinhong Mi Home Institution: Shanghai Maritime University Email: jhmi@shmtu.edu.cn Office Hours: Determined by Instructor

Term	September 13, 2021 - December 3, 2021	**Credits**	4 units

Class Hours	Twice per week, 120 mins per teaching day
Discussion Sessions	1 hours each week, conducted by teaching assistant(s)
Total Contact Hours	66 contact hours (1 contact hour = 45 mins, 3000 mins in total)
Required Texts (with ISBN)	Intermediate Microeconomics: A Modern Approach (9th edition) by Hal Varian, Norton 2014 ISBN: 978-0-393-12396-8
Prerequisite	It is assumed that every student has a working knowledge of basic microeconomics, algebra, calculus, and graphing skills.

Course Overview

Intermediate Microeconomics builds upon what you have learned in Principals, covering neo-classical economic theory, game theory, graphical analysis in the context of several simple models that approximate real-world economic dynamics, and quantitative optimization using calculus.

The aim of the course is to provide students with a thorough understanding of the core concepts and methods of microeconomics. The course can serve as a foundation for more advanced undergraduate electives which require a microeconomics background.

Students will develop understanding of economic models specified in standard mathematical and/or game theoretic terms. Course content includes core topics of consumption, production, and decision-making by firms, both with and without market power, under perfect and imperfect information, as well as the analysis of market failure due to externalities and public goods. Depending on time available, the course will cover a selection of further topics, such as asymmetric information, general equilibrium, and behavioral economics. Because this course caters to the policy concentration stream, the level of mathematics is somewhat lower than it would be on the theory concentration, and the course will make extensive use of diagrams and stress the intuition of results. Whereas the level of mathematics is not advanced, all students must be prepared for some mathematical analysis involving the use of calculus.

Learning Outcomes

1. Models of decision making. (Almost) all economic analysis starts with a model of how people make choices – for example how people decide what to buy, how much money to save, where to work and so on. This course will teach you the basic of the standard model of economic choice for consumers and firms. We will also touch on more advanced topics, specifically choice under uncertainty and behavioral economics (the study of where the standard model goes wrong).

2. Models of equilibrium. A key feature of economics is that it is interested in what happens when people interact. For example, in an economy with many consumers and firms, how are wages and prices determined, and who ends up with what stuff? This is the study of equilibrium. As well as 'standard' equilibrium analysis, we will also look at what happens when agents behave 'strategically'. This is the study of game theory, which may or may not be as exciting as it sounds.

Grading Policy

Mid-semester Exam	25%
Attendance	10%
Homework	25%
Final Exam	40%

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0

Class Schedule

Date	Lecture	Readings
Day 1	Introduction	Chapter 1
Day 2	Consumer Theory 1	Chapter 2 & 3
Day 3	Consumer Theory 2	Chapter 4 & 5
Day 4	Equilibrium in an Exchange Economy 1	Chapter 6
Day 5	Equilibrium in an Exchange Economy 2	Chapter 7 & 15
Day 6	Equilibrium in an Exchange Economy 3	Chapter 8 & 9 & 16
Day 7	Producer Theory Perfect Competition 1	Chapter 20
Day 8	Producer Theory Perfect Competition 2	Chapter 21
Day 9	Mid-semester exam review	Lecture notes and supporting material
Day 10	**Mid-semester Exam**	
Day 11	Producer Theory – Perfect Competition 3	Chapter 22
Day 12	Producer Theory – Monopoly	Chapter 25
Day 13	Game Theory 1	Chapter 29
Day 14	Game Theory 2	Chapter 30
Day 15	Choice Under Uncertainty	Chapter 11
Day 16	Asymmetric Information	Chapter 38
Day 17	Behavioral Economics	Chapter 31
Day 18	Welfare	Chapter 34
Day 19	Course review	Lecture notes and supporting material
Day 20	**Final Exam**	