

This course covers the core microeconomic theory on how consumers and producers reach market decisions. The condition of scarcity – our limited capacity to produce goods and services – is the starting point of the course. The environment within which market decisions are made matters, basically due to scarcity. We will examine the decision-making of utility-maximizing consumers and profit-maximizing firms.

The textbook for the course is *Microeconomics and Behavior* (9th edition) by Robert H. Frank.

Econ 4100 meets in room SH C137 from 7:25 to 8:40pm on Monday/Wednesday. My office hours are 3:00 to 4:00pm Monday/Wednesday; 4:30 to 5:30pm on Thursdays.

Office Location: Simpson Tower Room 909
Phone: (323) 343-2937 (do not leave phone messages)
Email: mfinney5@calstatela.edu

I. Math Review, Economic Decisions and Supply and Demand

Chapters 1 and 2
Review of [Rules of Calculus Differentiation](#)

II. Rational Consumer Choice

Chapter 3
[A Model of Consumer Behavior](#)
[Derivation of Consumer Demand](#)

III. Individual and Market Demand

Chapter 4
[Price and Income Changes](#)
[Perfect Substitutes and Complements](#)
[The Representative Consumer](#)

Midterm

IV. Markets with Asymmetric Information

[The Market for Lemons](#)
[Microeconomics, Pindyck and Rubinfeld p. 613-617](#)

V. Production Theory and the Costs of Production

Chapters 8 and 9
[The Economics of the Firm](#)
[Derivation of Firm's Cost Function](#)
[Long Run and Short Run Costs](#)

VI. The Competitive Model

Chapter 10

[Profit Maximization](#)

[Perfect Competition](#)

VII. Monopoly and Monopolist Competition

Chapter 11 p. 355-371

[Monopoly](#)

VIII. Market Power and Pricing Strategies

Chapter 5 p. 144-147

Chapter 11 p. 373-382

[Pricing Strategy](#)

Final Exam

The midterm and final exam will consist mainly of short essay questions and problem solving. Two homeworks will be assigned. There will also be a take-home essay question. I will add five points to the grade on the essay assignment if you prepare the assignment early and allow me to discuss it with you. Substantial credit will be deducted if you turn in an incoherent final essay.

Grade Distribution

Midterm – 40%

Final – 40%

Quizzes – 5%

Homework - 5%

Essay - 10%

You are expected to take exams and turn in assignments on their due dates.