

INTERMEDIATE MICROECONOMICS I, ECON 201
Department of Economics
St. Francis Xavier University
Fall 2021

Instructor: Teng Wah LEO

Time Blocks and Location: U4/U5 (Monday 11:15 am – 12:30 pm, & Thursday 12:45 pm – 2 pm), IM114

Office Hours: Monday, 10 am – 11 am & 1 pm – 2 pm; Thursday, 11:30 am – 12:30 pm & 2:15 pm – 3:15 pm; Friday, 1 pm – 3 pm. All other days by appointment.

Objective: Intermediate Microeconomic Theory I builds on the knowledge you have gained from Introduction to Microeconomics (ECON 101). We will examine in greater detail individual household and firm decisions, and choices on resource allocation, and the consequent social implications. Emphasis will be placed on theoretical methodology.

Note: Students may drop a course, online in Banner, on or before the relevant deadline. See the calendar of events in the StFX Academic Calendar for the drop-date.

Evaluation: There will be two mid term and one final examination. **All tests and final examination will be in-person exams.** In addition, there will also be assignments following pertinent topics to help you consolidate what you have learned. The following will be the allocations, and the tentative dates for the tests:

1. 50%: Mid-Term Tests \times 2 (October 7th, 2021 & November 11th, 2021)
2. 50%: Final Examination

Note: All tests and examinations are compulsory. Only letters from the registrar or physician will be accepted for missing either the tests or examination. Should you miss an examination/test without an appropriate reason provided prior to the date of the examination/test, you will be awarded a mark of zero for that examination/test. There is no recourse after the fact.

Reference Text:

Hal R. Varian, *Intermediate Microeconomics with Calculus*, W.W. Norton & Company

Jeffrey Perloff, *Microeconomics*, Pearson

Approach to the Course: You are strongly encouraged to follow the notes posted on the course website closely, <http://people.stfx.ca/tleo/MicroI.html>, and advised to attempt all the questions posted during the class and on the notes. You are free to ask me any questions during classes and office hours, and you are also free to make an appointment to talk me outside of those hours. All office hours now will be conducted *virtually* via 'moodle'. It is beneficial to your experience here if you can form yourselves into study groups, it would help you understand and consolidate the subject matter taught. However, given the current situation, you should do so virtually. You are expected to think critically, and not merely memorize the details by rote.

Course Outline:

1. Introduction
2. Consumer Choice
 - (a) Budget Constraint
 - (b) Preferences
 - (c) Utility
 - (d) Choice
 - (e) Demand
 - (f) Substitution & Income Effects
 - (g) Slutsky Equation
3. Applying Consumer Theory
4. Introduction to Intertemporal Choice
5. Demand & Consumer Surplus
6. Firms and Production, & Production Costs
 - (a) Technology

(b) Profit Maximization

(c) Cost Minimization

(d) Cost Curves

7. The Competitive Firms, Supply & Markets