

INTERMEDIATE MICROECONOMICS I, ECON 201  
Department of Economics  
St. Francis Xavier University  
Fall 2018

**Instructor:** Teng Wah LEO

**Time Blocks and Location:** Section 11: U1/U2 (Monday 8:15 a.m. to 9:30 a.m. & Thursday 9:45 a.m. - 11:00 a.m.), IM114

**Office Hours:** Monday, 1 p.m. - 4 p.m.; Wednesday, 10 a.m. - 4 p.m.; Friday, 11:15 a.m. to 12:15 a.m.

**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.

**Evaluation:** There will be two mid term and one final examination. 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 4, 2018 & November 8, 2018)
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

**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 in posted during the class and on the notes. You are free to ask

me any question regarding the questions and the classes during the office hours, and you are also free to make an appointment to see me outside of those hours. It is beneficial to your experience here if you can form into study groups, it would help you understand and consolidate the subject matter taught. 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