

**JOHNS HOPKINS UNIVERSITY**  
**SCHOOL OF ADVANCED INTERNATIONAL STUDIES<sup>1</sup>**

**Microeconomics**  
**SA.310.700**  
**Summer 2018**

Professor Paul Piveteau  
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Professor Heiwai Tang  
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**Class Schedule:**

Mon and Wed 10 –12:30 pm  
Location: Nitze 417

**Office Hours:**

*Professor Piveteau:*

Mon and Wed 4:30 – 6:30 pm or by appointment  
Location: BOB 743A

*Professor Tang:*

Mon and Wed 2:00 – 4:00 pm or by appointment  
Location: BOB 709

**Exam Schedule:**

Midterm: Fri, August 3, 10 – 1:00 pm.  
Final: Mon, August 27, 10 am – 1:00 pm (final week).

**Course Description**

Microeconomics is our entry-level graduate course intended to start you on your way to analyzing economic phenomena on your own. Students will learn how consumers, workers, investors, and firms make decisions while interacting with one another efficiently through markets. They will also learn about the different ways that markets can fail and some possible ways to correct these market failures. A central goal of this course is for students to understand the effects of incentives on the behavior of these agents and thereby on economic welfare. Topics include:

- Consumer choice and demand
- Production and cost
- Firms and market structure
- Economic policy and social welfare
- Market failure

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<sup>1</sup> Disclaimer: The syllabus may change before or during the class. The most up-to-date syllabus can always be found on Blackboard.

Together with Macroeconomics and Quantitative Methods, it constitutes the foundation for all other SAIS MIEF courses. The course will be taught somewhere between advanced undergraduate and first-year Ph.D. level. We will use graphs, algebra, and differential calculus for analysis. Microeconomics is built up cumulatively. Lectures often serve as the foundation for subsequent lectures.

### **Prerequisites**

High-school algebra and knowledge of differential calculus will be essential. You are expected to review the mathematic notes designed for the class.

### **Office Hours & E-mail Policy:**

Please attend office hours if you have any questions on the material. We will do our best to respond to e-mails within 24 hours (48 hours during the weekend). However, we will not provide explanations related to the material or grades through emails. You are expected to come to either our office hours or the teaching assistants' office hours for such matters.

### **Readings**

The recommended textbooks for this class are

- **Hal R. Varian**, *Intermediate Microeconomics, A Modern Approach*, 8<sup>th</sup> or 9<sup>th</sup> Editions, W. W. Norton & Company, Inc
- **Jeffrey M. Perloff**, *Microeconomics: Theory and Applications with Calculus*, 3<sup>rd</sup> or 4<sup>th</sup> edition, Pearson.

Moreover, these books might provide you additional help:

- *For intuition:* **Austan Goolsbee, Steven Levitt, Chad Syverson**, *Microeconomics*, 1st Edition, Worth Publishers.
- *For more advanced material:* **Hal R. Varian**, *Microeconomic Analysis*, Third Edition, W. W. Norton & Company, Inc.

These books are available on reserve in the library. Other required readings, *Math review for Microeconomics* and *SAIS Math Companion* will be posted on Blackboard. You can log in at: <http://blackboard.jhu.edu>.

Students are responsible for the readings indicated in the course outline for each week, although it should be noted that lectures will not always cover all topics in the readings and will also include additional material.

## Course Requirements

Your course grade will depend on three components: 1) problem sets; 2) midterm; and 3) final exam.

The exact contribution from each component to your grade is listed as follows:

1. **5% x 4** problem sets. Each problem set is assigned a week in advance on Wednesday, and is due at the beginning of the following **Wednesday** lecture: **Jul 25, Aug 1, 15, 22.**
  - Students are encouraged to work together on the problem sets, but need to submit their own work and write on the write-up with whom the homework is done. If two students hand in identical or very similar write-ups, both problem sets will be assigned 0 point. Late submission of problem sets is not accepted.
2. **80%** from the two exams. To help you diversify risks, I will take the larger value of the following two numbers as the score of your exam portion:
  - **35% Midterm + 45% Final;**
  - **45% Midterm + 35% Final.**

The final grade will be assigned based on these three components. Class attendance and participation will be considered in borderline cases.

If you have a disability that needs accommodation, please contact me and Kelley no later than July 26 (Wed).

## Teaching Assistants

The teaching assistant for this course are Jai-Ryung (Jenny) Lee and Bakai Ruslanbek Uulu. They will hold weekly tutorials, office hours, and review sessions before the midterm and final exams.

*TA Sessions:* Tuesday and Thursday, 6:30-8:00 pm in Nitze 417.

You are required to attend at least one of the TA sessions each week.

*TA's Office Hours:* Available before the TA sessions and on Sundays 11:30-1:30 pm.

## Grading Policy

No make-up for the midterm or final is scheduled. The only acceptable reasons for missing an exam are sickness or SAIS related travel. For the former case, you need to provide a note from your doctor documenting that you are unable to take an exam. For the latter case, you need to schedule a make-up exam two weeks in advance of the scheduled date at the latest. *If you miss an exam due to any other reason you will receive a zero on that exam.*

Grades will be assigned on a curve and are not negotiable. To submit a petition for a re-grade, you must explain the reason for your appeal in detail *in writing*. This must be done within a week after the

assignment or exam is returned. Any requests submitted after a week will not be considered. Note that when an exam is submitted for re-grade the entire exam will be re-graded (not just the problem in question) and hence it is possible you may also lose points.

## **Course Information and Announcements**

All material and information for the course, including the syllabus, instructions for assignments, and updates, will be posted on the course webpage on Blackboard (<http://blackboard.jhu.edu>). All lecture slides used in class will be posted on Blackboard. We will often use e-mail to make important class-related announcements. Make sure you check your JHU e-mail account or have your emails forwarded to an account that you check frequently.

## **Schedule (Tentative)<sup>2</sup>**

Lecture 1	Introduction, consumer preferences
Lecture 2	Consumer choice: budget constraints, constrained optimization
Lecture 3	Demand functions, welfare measures, labor supply
Lecture 4	Production theory: technology, cost minimization
Lecture 5	Cost curves and supply curve
Lecture 6	Market equilibrium and policy

### **Midterm on August 3 (covering materials from Lectures 1-6)**

Lecture 7	Monopoly and Price Discrimination Oligopoly
Lecture 8	Oligopoly
Lecture 9	Public Goods/ Externalities
Lecture 10	Game Theory and Behavior Economics
Lecture 11	Uncertainty and Risky Assets
Lecture 12	Review and Catch-up

### **Final Exam on August 27 (Non-Cumulative)**

*Last updated on July 10<sup>th</sup>.*

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<sup>2</sup> Note that this schedule is to provide you with a rough outline. Adjustments may be made during the course of the class.