

ECON 203 - Microeconomic Theory II

Instructors: Mürüvvet Büyükboyacı
Class Hours Tue. 08:40-10:30 (FZ14)
Wed. 10:40-12:30 (FZ14)
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Office Hours: By appointment.
Recitation Hours: Mon 15.40-17.30 (FZ14)
TA: Rengin Ayhan (A118 / 210 3041)
Office hour- Wed. 14.30-16.30

Course Materials:

Varian, H.R. (2014), Intermediate Microeconomics with Calculus
Bergstrom T.C. and H.R Varian (2014), Workouts, Intermediate Microeconomics
Perloff, J. M. (2013), Microeconomics with Calculus, Boston: Pearson.
Rosen, H and T. Gayer (2009), Public Finance, McGraw-Hill/Irwin.

Overview of the course:

Intermediate microeconomics is offered in two semesters for the economics majors. The purpose is to provide a comprehensive and deep coverage of all intermediate micro theory topics together with relevant applications. Building on ECON 201, this second course covers production economies, market failures, game theory and behavioral economics. Microeconomic analysis uses a set of powerful tools from optimization theory and abstract mathematics. This course also attempts to help you master these tools further by presenting additional topics in microeconomics.

TENTATIVE COURSE OUTLINE

	Topic	
	Review of Exchange Economies General Equilibrium: Production Economies Welfare Externalities Public Goods	Varian Ch. 32 Varian Ch. 33 (RG Ch. 3) Varian Ch. 34 Varian Ch. 35 Varian Ch. 37
	1st. Midterm Examination, April 14, 2026 Monopoly Monopoly Behavior Uncertainty Game Theory	Varian Ch. 25 Varian Ch. 26 Varian Ch. 12 Varian Ch. 29
	2nd. Midterm Examination, May 12, 2026 Game Applications Asymmetric Information Behavioral Economics	Varian Ch. 30 Varian Ch. 18 Varian Ch. 38 Varian Ch. 31
	Final Examination, June 2026	

Remarks:

1. Students are responsible from the reading assignments and the material covered during lectures. For a good comprehension of the topics students are recommended to read the material before each lecture. You are supposed to be conversant in basic calculus i.e. functions, derivatives, integrals, finding the extrema of a function with and without constraints. Attendance to lectures is strongly recommended. Students are also expected to attend the recitation hours since conscious problem solving is an important component of the course.
2. This course will be using ODTU-Class system (<https://odtuclass.metu.edu.tr/>). Syllabus of the course, assignments, problem sets and solutions may be accessed through the site. The site offers also easy communication facility.
3. The weights of the cumulative exams towards the term grade are:

Quizzes	15%	
First Midterm	25%	(April 14, 2026)
Second Midterm	25%	(May 12, 2026)
Final	35%	(June 2026).
4. If you miss an exam for an excused reason, I will offer a written makeup or an oral exam on the blackboard. **You will need to contact me before an exam about your excuse.** In the case of serious illness, a verifying report from a physician is necessary before exams and it has to be approved by the University Health Centre.