

ECON 201 - Microeconomic Theory I

Instructor: Serkan Küçükşenel
Class Hours Thu. 15:40-17:30 (FZ14)
Fri. 13:40-15:30 (FZ14)
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Recitation Hours: Mon. 15:40-17:30 (FZ15)
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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.

Overview of the course:

We will begin with an overview of the equilibrium behavior of competitive markets. We then will build up a model of consumer preferences and consumer choice, which can be used to derive a market demand function. Next, we build up a model of the theory of production and firm behavior to derive a market supply function. We return to the concept of market equilibrium with our more detailed understanding of demand and supply in order to derive further properties of market behavior.

The type of analysis we will conduct up to here is called "partial equilibrium" because it characterizes behavior in a single market. We then extend analyzing equilibrium when many markets exist and interact. This is called "general equilibrium" analysis. We also derive some welfare properties of competitive markets for both partial and general equilibrium.

Microeconomic analysis relies on a small set of enormously powerful analytical tools: constrained optimization analysis, equilibrium analysis, and comparative statics analysis. This course attempts to help you master these tools by presenting their graphical, algebraic and logical mechanics as well as by illustrating their use in many different contexts throughout the course.

TENTATIVE COURSE OUTLINE

The speed at which we cover the material may vary depending on questions and depth of each topic, thus this is not a weekly schedule:

	Topic	
	Supply and Demand: How Markets Work Budget Constraint Preference and Utility Choice and Demand	Perloff Ch. 2 Varian Ch. 2 Varian Chs. 3-4 Varian Chs. 5-6

	Revealed Preference Slutsky Equation 1st. Midterm, November 14, 2025 Technology Profit Maximization Cost Minimization and Cost Curves Firm and Industry Supply 2nd. Midterm, December 19, 2025, Exchange Final Examination, 05-17 January 2026	Varian Ch. 7 Varian Ch. 8 Varian Ch. 19 Varian Ch. 20 Varian Chs. 21-22 Varian Chs. 23-24 Varian Ch. 32
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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 exams and assignments towards the term grade are:

First Midterm	30%	(November 14, 2025)
Second Midterm	30%	(December 19, 2025)
Final	40%	(05- 17 January 2026).

4. All exams are in-class. If you miss an exam for an excused reason, I will offer a written makeup or an oral exam. **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.